

**THE INFLUENCE OF ISLAMIC WORK ETHICS ON  
ORGANIZATIONAL PERFORMANCE AT THE  
ISLAMIC BANKING INSTITUTIONS IN ACEH**

**AZHARSYAH**

**ACADEMY OF ISLAMIC STUDIES  
UNIVERSITY OF MALAYA  
KUALA LUMPUR**

**2015**

**THE INFLUENCE OF ISLAMIC WORK ETHICS ON  
ORGANIZATIONAL PERFORMANCE AT THE  
ISLAMIC BANKING INSTITUTIONS IN ACEH**

**AZHARSYAH**

**THESIS SUBMITTED IN FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF  
DOCTOR OF PHILOSOPHY**

**ACADEMY OF ISLAMIC STUDIES  
UNIVERSITY OF MALAYA  
KUALA LUMPUR**

**2015**

## **ABSTRACT**

This research was motivated by the relatively low research carried out in Islamic Work Ethics (IWE), slow innovation in the IWE scale, and unethical conducts happening with the case of Islamic banks. The general purpose of this research was to seek a better understanding of the notion of IWE and its implementation at the Islamic Banking Institutions (IBIs) in Aceh. In specific, it examines the influence of IWE towards the organizational performance through four non-financial performance factors, namely job satisfaction, organizational commitment, turnover intention, and customer satisfaction. The IWE and customer satisfaction were measured using self-developed instruments, while job satisfaction, organizational commitment, and turnover intention were scaled using modified instruments. In collecting the data, the study employed a quantitative research approach using questionnaire surveys. The surveys were distributed to 868 employees and customers of seven selected Islamic banks. The data was analyzed using SPSS software with its descriptive and inferential analyses. The findings presented IWE in the form of five principles, eight dimensions and 44 values, which were used as the basic for the instrument development. The core value of Islamic ethics promotes goodness for all human beings regardless of countries, cultures, race, educational background, and many local values. The study highlighted the significant positive impact of IWE on job satisfaction, organizational commitment and customer satisfaction, while at the same time showed negative impact on turnover intention. The findings clearly demonstrate the important task of creating an Islamic ethical environment within organizations, especially the IBIs. Therefore, it is hoped that these findings could be used as a guideline for organizations, especially the IBIs, in promoting the Islamic ethical values within their organizations in order to boost the organizational performance.

## ABSTRAK

Kurangnya penyelidikan mengenai Etika Kerja Islam (EKI), inovasi yang perlahan dalam pembinaan skala EKI, dan salah laku etika yang melibatkan Institusi-institusi Perbankan Islam (IPI) telah mendorong pelaksanaan kajian ini. Secara amnya, kajian ini bertujuan untuk meneliti konsep EKI dan pelaksanaannya di IPI, Aceh. Secara lebih khusus, kajian ini mengkaji pengaruh EKI ke atas prestasi organisasi melalui empat faktor prestasi bukan kewangan, iaitu kepuasan kerja, komitmen organisasi, hasrat meninggalkan kerjaya dan kepuasan pelanggan. EKI dan kepuasan pelanggan diukur dengan menggunakan instrumen tersendiri, manakala kepuasan kerja, komitmen organisasi dan hasrat meninggalkan kerjaya diukur dengan menggunakan instrumen yang telah diubah suai. Untuk tujuan pengumpulan data, kajian ini menggunakan pendekatan kuantitatif dengan menggunakan borang soal selidik. Sebanyak 868 borang soal selidik telah diedarkan kepada para pekerja dan pelanggan di tujuh buah IPI terpilih. Maklum balas soal selidik kemudiannya dianalisis menggunakan perisian SPSS dengan menjalankan analisis berbentuk deskriptif dan inferensi. Hasil analisis kajian mendapati konsep EKI terbentuk atas lima prinsip, lapan dimensi dan 44 nilai, yang menjadi asas kepada pembangunan instrumen dalam kajian ini. Konsep ini memperlihatkan EKI berupaya membawa kebaikan kepada seluruh manusia tanpa mengira negara, budaya, bangsa, latar belakang pendidikan, dan nilai-nilai tempatan. Hasil kajian juga menunjukkan EKI memberi pengaruh positif yang ketara terhadap kepuasan kerja, komitmen organisasi dan kepuasan pelanggan, dan pada masa yang sama memberi pengaruh negatif terhadap hasrat untuk meninggalkan kerjaya. Hasil kajian ini secara jelas memperlihatkan kepentingan mencipta persekitaran etika yang Islamik dalam organisasi, terutamanya di kalangan IPI. Justeru itu, dapatan kajian ini diharap dapat dijadikan sebagai garis panduan kepada organisasi, terutama IPI, bagi menggalakkan pengamalan nilai-nilai etika Islam dalam organisasi ke arah mempertingkatkan prestasi organisasi.

## DEDICATION

*To the memory of my late parents, H. Ibrahim Ismail and Hj. Maimunah Ibrahim, who respectively passed away near the ending and beginning of my doctoral study. I extremely owe a debt of gratitude for both of them, after the will of Allah, for all achievements I have made. Without their upbringings, constant encouragements, prayers and supports, this journey would not have been possible. May Allah SWT reward their good deeds and put them among the best people in the Paradise.*

*To my wife, Khairunnisak Hasan, for her unconditional love, understanding, support and encouragement. To my little angles, Aksa, Ayla, and Adam, whose young lives have been disrupted during this journey. I owe every achievement to all of them.*

## ACKNOWLEDGEMENT

Alhamdulillah, praise always be to Allah, the Most Gracious, the Most Merciful, who has given me opportunity, strength and ability to complete this thesis. Peace and blessings be upon the holy Prophet Muhammad SAW.

I would like to express my deepest gratitude and sincerest appreciation to my supervisor, Dr. Nor 'Azzah Kamri. I am very grateful for her guidance, constructive comments, and encouragements for this thesis. I am also very grateful for her immense knowledge on Islamic ethics, which assisted me to gain confidence in focusing on this particular topic. May Allah SWT give her the best reward in the Hereafter.

My sincere gratitude to the Provincial Government of Aceh, particularly the Human Resources Development Commissions for financially supporting my doctoral study, and the Ar-Raniry State Islamic University Banda Aceh for this opportunity. My appreciation also goes to the individuals at the University of Malaya, especially at the Academy of Islamic Studies. Dr. Azian Madun, and Dr. Asmak Ab Rahman for their valuable inputs during the instrument development process. Dr. Suhaili Sarif and Dr. Fadillah Mansor, for the constructive comments during proposal presentation and candidature defense. Assoc. Prof. Dr Ab. Mumin Ab. Ghani, Dr. Kamaruzzaman Nordin, and Mohd Rizal Bin Muwazir@ Mukhazir for their kindnesses. Assoc. Prof. Dr Ilhaamie Binti Abdul Ghani Azmi for SPSS lessons. Pn Nurdila Mohd Yunos and several individuals at the APIUM Postgraduates Division who have helped me in providing administrative assistances. May Allah bless all of them.

My big appreciations to my colleague and roommate, Fithriady, who has provided a good companion and assistance during my study, especially in the typing the *matan* hadiths including their *takhrij*. The same appreciation also goes to Faisal Yahya, who

also has helped in typing the *matan* and *takhrij*. My warmest thanks to all my friends for their encouragements, Tgk. Suhaily, Tgk Arifin, Wira, Zulham, Tgk Nas, Muftah, Izwan, Iskandar, and all Acehnese students and the tenants of A1-4 Happy Mansion Apt in Section 17, PJ.

My colleague Pak Bismi, for teaching me basic SPSS knowledge that later helped me in solving research problem. To Iqbal and teams, who have assisted me in delivering the questionnaire surveys during my fieldwork. Also to Dr. Shabri, Dr. Yasir, Dr. Subhan, Dr. Ridwan, Dr. Hafas, Dr. Saiful, Dr. Eddy, Dr. (Cand) Israk for their valuable comments during the development of instrument. May Allah give them all reward for their good deeds.

I am particularly indebted to my parents, my parent-in-law, my loving brothers: Bang Zul and Bang Edi along with their families who always supportive, and sisters: Dek Mur and family, who was most of the time picked me up at the airport when I came home, and Dek Amah and family who always caring. Also to my entire families and all relatives who always pray and support this long journey. Finally, I am deeply indebted to my loving wife, Khairunnisak Hasan, and my three little children, Aksa, Ayla, and Adam for their constant love, patience, support and encouragements. May Allah reward them abundantly.

## LIST OF TABLES

Table 1.1	Summary of Research Objectives and Questions .....	15
Table 2.1	IWE Values under Religiousness Dimension .....	87
Table 2.2	IWE Values under Effort Dimension .....	91
Table 2.3	IWE Values under Competition Dimension.....	94
Table 2.4	IWE Values under Work Obligation Dimension .....	99
Table 2.5	IWE Values under Quality Dimension.....	103
Table 2.6	IWE Values under Collectivity Dimension.....	105
Table 2.7	IWE Values under Equality Dimension .....	108
Table 2.8	IWE Values under Benefit Dimension.....	110
Table 3.1	Indicators and Antecedents of Organizational Performance.....	120
Table 4.1	Sample of Islamic Banks.....	159
Table 4.2	Total Population and Sample of Employees .....	160
Table 4.3	Summary of the Initial Instrument of IWE .....	165
Table 4.4	Faced and Items from the Job Satisfaction Survey .....	168
Table 4.5	Three Components Model Organizational Commitment .....	170
Table 4.6	Items of Turnover Intentions.....	171
Table 4.7	Initials draft for Customer Satisfaction Measurement .....	172
Table 4.8	IWE Instrument after Feedback .....	175
Table 4.9	Job Satisfaction's Instrument after Feedback.....	178
Table 4.10	Instrument of Organizational Commitment after Feedback.....	179
Table 4.11	Instrument of Turnover Intentions after Feedback.....	180
Table 4.12	Instrument of Customer Satisfaction after Feedback .....	182
Table 4.13	Reliability Test Result for Pilot Study .....	185
Table 4.14	Pearson Correlation Result of IWE for Pilot Study .....	186
Table 4.15	Pearson Correlation Result of Job Satisfaction for Pilot Study .....	188
Table 4.16	Pearson Correlation Result of Organizational Commitment for Pilot Study.....	189
Table 4.17	Pearson Correlation Result of Turnover Intention for Pilot Study.....	189
Table 4.18	Pearson Correlation Result of Customer Satisfaction for Pilot Study ....	190
Table 5.1	Islamic Banking Network in Indonesia.....	201
Table 5.2	Growth of Islamic Banking in Aceh per Quarter III-2012.....	202
Table 5.3	The Selected Islamic Banks .....	203
Table 5.4	Corporate Culture of BAS.....	215



Table 5.5	Corporate Culture of BHW .....	217
Table 6.1	Employees Response Rate .....	221
Table 6.2	Number of Respondents based on Bank's Category .....	221
Table 6.3	Employees' Demographic Information .....	223
Table 6.4	Reliability Test Result of IWE and Organizational Performance .....	225
Table 6.5	Normality Tests for Employees Data .....	227
Table 6.6	Classification of Mean Value .....	229
Table 6.7	Mean, Standard Deviation and Ranking of Commitment .....	229
Table 6.8	Summary of IWE Dimension Descriptive Statistics .....	235
Table 6.9	IWE Mean Comparison based on Bank's Category .....	237
Table 6.10	One-way ANOVA based on Bank's Category .....	238
Table 6.11	Tukey Post-hoc Test for Bank Category .....	239
Table 6.12	IWE Mean Comparison based on Gender Difference .....	240
Table 6.13	T-Test on Gender Differences .....	241
Table 6.14	IWE Mean Comparison based on Age Group .....	242
Table 6.15	One-way ANOVA based on Age Groups .....	243
Table 6.16	IWE Mean Comparison based on Educational Level .....	243
Table 6.17	One-way ANOVA based on Educational Level .....	244
Table 6.18	IWE Mean Comparison based on Length of Work (Years) .....	245
Table 6.19	One-way ANOVA based on Length of Work .....	246
Table 6.20	IWE Mean Comparison based on Income (IDR Million) .....	247
Table 6.21	One-way ANOVA based on Income .....	248
Table 6.22	Correlation between IWE and Job Satisfaction .....	249
Table 6.23	Correlation between All Dimensions of IWE and Job Satisfaction .....	249
Table 6.24	The Value of R and R-Square of Job Satisfaction .....	250
Table 6.25	Coefficient Correlation between Job Satisfaction and IWE .....	250
Table 6.26	Correlations between IWE and Organizational Commitment .....	252
Table 6.27	Correlation between Dimensions of IWE and Organizational Commitment .....	252
Table 6.28	The Value of R and R-Square of Organizational Commitment .....	253
Table 6.29	Coefficient Correlation between Organizational Commitment and IWE .....	254
Table 6.30	Correlation between Islamic Work Ethics and Turnover Intention .....	254
Table 6.31	Correlation between All Dimensions of IWE and Turnover Intention .....	255
Table 6.32	The Value of R and R-Square of Turnover Intention .....	256
Table 6.33	Coefficient Correlation between Turnover Intention and IWE .....	257

Table 6.34	Correlation between IWE, Job Satisfaction, Organizational Commitment and Turnover Intention.....	257
Table 7.1	Customers' Response Rate.....	264
Table 7.2	Details Number of Returned Surveys from Each Banks.....	264
Table 7.3	Customer's Demographic Information.....	266
Table 7.4	Summary of Customers Reliability Analysis .....	268
Table 7.5	Tests of Normality for Customers Data .....	270
Table 7.6	Classification of Mean Value.....	272
Table 7.7	Mean, Standard Deviation, and Ranking of Customer Satisfaction.....	274
Table 7.8	Summary of IWE Dimension for Customer Satisfaction.....	280
Table 7.9	Spearman's Rank-Order Correlation between All IWE Dimensions.....	281
Table 7.10	Satisfaction based on Bank's Category.....	282
Table 7.11	Kruskal-Wallis H Test based on Bank's Category.....	283
Table 7.12	Mann-Whitney Statistics Tests based on Bank's Category .....	283
Table 7.13	Satisfaction based on Gender Difference .....	285
Table 7.14	Mann-Whitney Statistics Tests based on Gender Differences .....	286
Table 7.15	Satisfaction based on Age Group (Years).....	287
Table 7.16	Kruskal-Wallis H Test based on Age Groups .....	288
Table 7.17	Satisfaction based on Educational Level.....	288
Table 7.18	Kruskal-Wallis H Test based on Educational Level .....	289
Table 7.19	Satisfaction based on Occupation .....	290
Table 7.20	Kruskal-Wallis H Test based on Occupation .....	291
Table 7.21	Satisfaction based on Income (IDR Million) .....	292
Table 7.22	Kruskal-Wallis H Test based on Income.....	293
Table 7.23	Comparison Ranking of the IWE Dimensions between Employee and Customer.....	294

## LIST OF FIGURES

Figure 1.1	Summary of the Thesis Flowchart. ....	41
Figure 2.1	Conceptual Framework of IWE .....	112
Figure 3.1	Proposed Research Model.....	145
Figure 4.1	Research Process .....	155
Figure 6.1	Histogram of Employees Data .....	226
Figure 6.2	Normal Q-Q Plot of Employees Data .....	226
Figure 7.1	Histogram for Customers Data.....	269
Figure 7.2	Normal Q-Q Plot for Customers Data.....	269

## TABLE OF ABBREVIATIONS

a.s.	=	<i>‘Alaihi Salam</i>
ANOVA	=	Analysis of Variance
BAS	=	Bank Aceh Syariah
BHR	=	Bank Pembiayaan Rakyat Syariah Hareukat
BHW	=	Bank Pembiayaan Rakyat Syariah Hikmah Wakilah
BI	=	Bank Indonesia
BMI	=	Bank Muamalat Indonesia
BNIS	=	Bank Negara Indonesia Syariah
BPRS	=	Bank Pembiayaan Rakyat Syariah
BRI	=	Bank Rakyat Indonesia Syariah
BSM	=	Bank Syariah Mandiri
CRA	=	Customer Relation Advisor
CSR	=	Corporate Social Responsibility
IBI	=	Islamic Banking Institution
IBU	=	Islamic Business Unit
ICB	=	Islamic Commercial Bank
IDR	=	Indonesian Rupiah
IFI	=	Islamic Financial Institution
IRB	=	Islamic Rural Bank
IWE	=	Islamic Work Ethics
OJK	=	Otoritas Jasa Keuangan
PWE	=	Protestant Work Ethics
r.a	=	<i>Raḍiyallahu ‘Anhu</i>
RM	=	Ringgit Malaysia
s.a.w.	=	<i>Ṣallallahu ‘Alayhi Wassallam</i>
SWT	=	<i>Subḥānahu wa Ta’ālā</i>
USD	=	United States Dollar

# ARABIC transliteration<sup>1</sup>

## 1. Consonants

ا	a	ز	z	ق	q
ب	b	س	s	ك	k
ت	t	ش	sh	ل	l
ث	th	ص	ṣ	م	m
ج	j	ض	ḍ	ن	n
ح	ḥ	ط	ṭ	ه	h
خ	kh	ظ	ẓ	ة	h, t
د	d	ع	‘	و	w
ذ	dh	غ	gh	ء	’
ر	r	ف	f	ي	y

## 2. Vowels

Long Vowel		Short Vowel	
ا, ي	ā	ـَـ	a
ي	ī	ـِـ	i
و	ū	ـُـ	u

## 3. Diphthong

اـَـ	aw
يـَـ	ay
وـُـ	uww
يـِـ	iy, ī

<sup>1</sup> Transliteration method in this study is referred to the Akademi Pengajian Islam Universiti Malaya thesis guidance book. See: Akademi Pengajian Islam, *Panduan Penulisan Ilmiah Akademi Pengajian Islam Universiti Malaya*, 3<sup>rd</sup> ed. (Kuala Lumpur: Penerbit Universiti Malaya, 2012), 62.

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>ABSTRACT .....</b>	<b>iii</b>
<b>ABSTRAK .....</b>	<b>iv</b>
<b>DEDICATION.....</b>	<b>v</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>vi</b>
<b>LIST OF TABLES .....</b>	<b>viii</b>
<b>LIST OF FIGURES .....</b>	<b>xi</b>
<b>LIST OF ABBREVIATION.....</b>	<b>xii</b>
<b>ARABIC TRANSLITERATION.....</b>	<b>xiii</b>
<b>TABLE OF CONTENTS.....</b>	<b>xiv</b>
 <b>CHAPTER I: INTRODUCTION .....</b>	 <b>1</b>
1.1 Introduction .....	1
1.2 Research Background .....	1
1.3 Problem Statement .....	8
1.4 Research Questions .....	14
1.5 Research Objectives .....	14
1.6 Significance of the Research .....	16
1.7 Literature Review: Previous Studies and Gap .....	17
1.7.1 Theoretical Studies .....	17
1.7.2 Empirical Studies .....	22
1.8 Operational Definitions .....	30
1.8.1 Islamic Work Ethics .....	30
1.8.2 Organizational Performance .....	30
1.8.2.1 Job Satisfaction .....	31
1.8.2.2 Organizational Commitment .....	32
1.8.2.3 Turnover Intention .....	33
1.8.2.4 Customer Satisfaction .....	33
1.9 Scope and Limitations .....	35
1.9.1 Subject of Study .....	35
1.9.2 Object of Study .....	35
1.9.3 Location of Study .....	36
1.9.4 Respondent of Study .....	38
1.10 Organization of Thesis .....	38
1.11 Conclusion .....	41
 <b>CHAPTER II: ISLAMIC WORK ETHICS (IWE) .....</b>	 <b>42</b>
2.1 Introduction .....	42
2.2 Overview of Work Ethics.....	42
2.3 The Concept of Work Ethics in Islam.....	45
2.3.1 The Concept of Ethics in Islam .....	48
2.3.2 The Concept of Work in Islam.....	60
2.4 The Principle of IWE .....	71
2.4.1 The Principle of <i>Tawhīd</i> .....	73
2.4.2 The Principle of <i>Khilāfah</i> .....	74
2.4.3 The Principle of <i>‘Adl</i> .....	76
2.4.4 The Principle of <i>Ikhtiyār</i> .....	78
2.4.5 The Principle of <i>Fard</i> .....	81
2.5 The Dimensions and Values of IWE .....	85

2.5.1 Religiousness.....	85
2.5.2 Effort .....	88
2.5.3 Competition.....	91
2.5.4 Work Obligation.....	94
2.5.5 Quality.....	100
2.5.6 Collectivity .....	103
2.5.7 Equality .....	106
2.5.8 Benefit .....	109
<b>2.6 Conclusion .....</b>	<b>113</b>

### **CHAPTER III: ORGANIZATIONAL PERFORMANCE AND ITS RELATIONSHIP WITH IWE .....**

<b>3.1 Introduction .....</b>	<b>114</b>
<b>3.2 Organizational Performance .....</b>	<b>114</b>
<b>3.3 Indicators and Antecedents of Organizational Performance .....</b>	<b>119</b>
3.3.1 Job Satisfaction .....	121
3.3.2 Organizational Commitment .....	126
3.3.3 Turnover Intention .....	131
3.3.4 Customer Satisfaction .....	137
<b>3.4 Relationship between IWE and Organizational Performance .....</b>	<b>144</b>
3.4.1 Relationship between IWE and Job Satisfaction .....	146
3.4.2 Relationship between IWE and Organizational Commitment .....	147
3.4.3 Relationship between IWE and Turnover Intention .....	149
3.4.4 Relationship between IWE and Customer Satisfaction .....	150
<b>3.5 Conclusion .....</b>	<b>152</b>

### **CHAPTER IV: RESEARCH METHOD.....**

<b>4.1 Introduction .....</b>	<b>153</b>
<b>4.2 Research Design.....</b>	<b>153</b>
<b>4.3 Data Collection Method .....</b>	<b>156</b>
4.3.1 Secondary Data Collection.....	156
4.3.2 Primary Data Collection.....	157
4.3.3 Population and Sample.....	158
4.3.3.1 Population and Sample for Banks .....	158
4.3.3.2 Population and Sample for Employees .....	160
4.3.3.3 Population and Sample for Customers .....	161
4.3.4 Development of Instrument/Questionnaire Survey.....	162
4.3.4.1 Instrument of Islamic Work Ethics .....	164
4.3.4.2 Instrument of Organizational Performance .....	167
4.3.5 Preliminary Trials.....	173
4.3.5.1 Pre-test or Qualitative Validation.....	173
4.3.5.2 Pilot Study or Quantitative Validation .....	182
<b>4.4 Data Analysis Method .....</b>	<b>191</b>
4.4.1 Secondary Data Analysis .....	192
4.4.2 Primary Data Analysis .....	192
<b>4.5 Conclusion .....</b>	<b>194</b>

### **CHAPTER V: PROFILE OF ISLAMIC BANKING INSTITUTIONS IN ACEH .....**

<b>5.1 Introduction .....</b>	<b>196</b>
<b>5.2 Overview of Islamic Banking Institutions .....</b>	<b>196</b>
5.2.1 The Development of Islamic Banking .....	196

5.2.2	Islamic Banking in Aceh .....	199
<b>5.3</b>	<b>Profile of Research Object .....</b>	<b>202</b>
5.3.1	Bank Muamalat Indonesia.....	203
5.3.2	Bank Syariah Mandiri .....	206
5.3.3	Bank Rakyat Indonesia Syariah .....	209
5.3.4	Bank Negara Indonesia Syariah .....	211
5.3.5	Bank Aceh Syariah.....	213
5.3.6	Bank Pembiayaan Rakyat Syariah Hikmah Wakilah.....	216
5.3.7	Bank Pembiayaan Rakyat Syariah Hareukat.....	217
<b>5.4</b>	<b>Conclusion .....</b>	<b>219</b>

## **CHAPTER VI: IWE COMMITMENT AND ITS INFLUENCE ON JOB SATISFACTION, ORGANIZATIONAL COMMITMENT AND TURNOVER INTENTION.....220**

<b>6.1</b>	<b>Introduction .....</b>	<b>220</b>
<b>6.2</b>	<b>Employees Response Rate.....</b>	<b>220</b>
<b>6.3</b>	<b>Employees Demographic Information.....</b>	<b>222</b>
<b>6.4</b>	<b>Data Reliability and Normality Analysis.....</b>	<b>224</b>
6.4.1	Reliability Analysis .....	225
6.4.2	Data Normality Analysis .....	225
<b>6.5</b>	<b>Level of IWE Commitment of IBI's Employees in Aceh Towards IWE...228</b>	
6.5.1	IWE's Influence based on Bank's Category .....	236
6.5.2	IWE's Influence based on Gender Difference .....	239
6.5.3	IWE's Influence based on Age Group .....	241
6.5.4	IWE's Influence based on Educational Level .....	243
6.5.5	IWE's Influence based on Length of Work .....	244
6.5.6	IWE's Influence based on Income .....	246
<b>6.6</b>	<b>Influence of IWE's Implementation on Job Satisfaction, Organizational Organizational Commitment and Turnover Intention .....</b>	<b>248</b>
6.6.1	IWE's Influence on Employees' Job Satisfaction.....	248
6.6.2	IWE's Influence on Employees' Organizational Commitment .....	251
6.6.3	IWE's Influence on Employees' Turnover Intention.....	254
<b>6.7</b>	<b>Discussion of Results .....</b>	<b>257</b>
<b>6.8</b>	<b>Conclusion .....</b>	<b>262</b>

## **CHAPTER VII: IMPACT OF IWE ON CUSTOMER SATISFACTION.....263**

<b>7.1</b>	<b>Introduction .....</b>	<b>263</b>
<b>7.2</b>	<b>Customers' Response Rate .....</b>	<b>263</b>
<b>7.3</b>	<b>Customers' Demographic Information.....</b>	<b>265</b>
<b>7.4</b>	<b>Data Reliability and Normality Analysis.....</b>	<b>267</b>
7.4.1	Reliability Analysis .....	267
7.4.2	Data Normality Analysis .....	268
<b>7.5</b>	<b>The Impact of IWE on Customer Satisfaction.....</b>	<b>270</b>
7.5.1	Customer Satisfaction based on Bank's Category .....	281
7.5.2	Customer Satisfaction based on Gender Difference .....	285
7.5.3	Customer Satisfaction based on Age Group .....	286
7.5.4	Customer Satisfaction based on Educational Level .....	288
7.5.5	Customer Satisfaction based on Occupation.....	290
7.5.6	Customer Satisfaction based on Income .....	292
<b>7.6</b>	<b>Discussion of Results .....</b>	<b>294</b>
<b>7.7</b>	<b>Conclusion .....</b>	<b>299</b>



<b>CHAPTER VIII: CONCLUSION .....</b>	<b>300</b>
<b>8.1 Introduction .....</b>	<b>300</b>
<b>8.2 Overview of the Chapters .....</b>	<b>300</b>
<b>8.3 Main Findings .....</b>	<b>303</b>
<b>8.4 Research Implications .....</b>	<b>310</b>
8.4.1 Theoretical Implications.....	310
8.4.2 Practical Implications.....	312
<b>8.5 Research Limitations and Future Recommendation .....</b>	<b>314</b>
<b>8.6 Conclusion .....</b>	<b>316</b>
<b>BIBLIOGRAPHY .....</b>	<b>317</b>
<b>APPENDIX 1: Questionnaire for Employees (English Version) .....</b>	<b>350</b>
<b>APPENDIX 2: Questionnaire for Employees (Bahasa Indonesia Version).....</b>	<b>357</b>
<b>APPENDIX 3: Questionnaire for Customers (English Version) .....</b>	<b>365</b>
<b>APPENDIX 4: Questionnaire for Customers (Bahasa Indonesia Version).....</b>	<b>371</b>
<b>APPENDIX 5: Recommendation Letter from Bank Indonesia.....</b>	<b>377</b>
<b>APPENDIX 6: List of Experts for Instrument Validation.....</b>	<b>378</b>

# CHAPTER I

## INTRODUCTION

### 1.1 Introduction

Nowadays, research on ethical behavior in the workplace including the work ethics field has increased significantly due to the escalation of unethical issues in many organizations all around the world.<sup>1</sup> The importance of work ethics has encouraged its implementation in various types of organizations including the Islamic-based institutions. For that purpose, this thesis would like to analyze the implementation of work ethics in Islamic Banking Institutions (IBIs) and its impact to the organizational performance using a self-construction instrument. In this chapter, this thesis will discuss the research background, problem statement, and overview of ethical practices in Indonesian organizations. The discussion is tailed by the description of the research questions, objectives, and significances. The operational definitions are also described in the next sequence to provide a clear view on the key terms of research. To set the research perimeters, scope and limitation of the research will be presented. Finally, the last section of this chapter describes the organization of this thesis in order to provide an insight on the research thoroughly.

### 1.2 Research Background

Ethics is commonly defined as a set of moral principles that distinguishes what is right from what is wrong<sup>2</sup>. Ethics aims to study both moral and immoral behavior in order to make well-founded judgments and to arrive at adequate recommendations. Specifically,

---

<sup>1</sup> Richard T. De George, "A History of Business Ethics," website *Markkula Center for Applied Ethics, Santa Clara University*, 2005 2005, retrieved on 16 March 2012, <http://www.scu.edu/ethics/practicing/focusareas/business/conference/presentations/business-ethics-history.html#eleven>.

<sup>2</sup> Rafik Issa Beekun, *Islamic Business Ethics* (Herndon, Virginia: International Institute of Islamic Thought; Amana Pubns, 1997).

ethics studies how people try to live according to a standard of 'right' or 'wrong' behavior in both how people think and behave towards others and how people would like the others to think and behave towards them<sup>3</sup>. In general, ethics aims to evaluate human conducts by calling upon moral standards, and provide prescriptive advice on how to act morally in certain situations<sup>4</sup>.

Of many areas of ethics, work ethics field is among the most important subject to study. It is marked by the growing attention and academic studies on the particular topic in the past decades. It was driven by many reasons, the foremost of which were: (1) the criticism for the lack of a transparent framework of ethics in the criteria that was adopted in business world, and (2) the increasing of ethic-related scandals<sup>5</sup> involving major corporations. Over the years, many evidences have exposed the importance of implementation of work ethics in organizations. Not only costs billions of dollars, failure to implement ethics in daily operations also jeopardize the survival of an organization<sup>6</sup>. Enron, WorldCom, and Lehman Brothers are some examples of the organizations that faced serious issues on ethics that led them to file bankruptcy and then collapsed.

In business world, the ethics issue is a key of competitive advantage to compete in the present of business environment<sup>7</sup>. Work ethics plays an important role in reinforcing the administration of an organization.<sup>8</sup> In the area of financial services, specifically, ethics

---

<sup>3</sup> Andrew Ghillyer, *Business Ethics: A Real World Approach* (New Jersey: McGraw-Hill/Irwin, 2008).

<sup>4</sup> Sabahuddin Azmi, "An Islamic Approach to Business Ethics," *Renaissance: A Monthly Islamic Journal* 15, no. 5 (May 2005), retrieved on 20 October 2012, <http://www.monthly-renaissance.com/issue/content.aspx?id=169>.

<sup>5</sup> Taher Al-Ghalebi, Mohsen Al-Ameri, and Saleh Mahdi, *Social Responsibility, Work Ethics and Society*, 3rd ed. (Amman: Wael Publishing House, 2009).

<sup>6</sup> Danielle S Beu, M Ronald Buckley, and Michael G Harvey, "Ethical Decision Making: A Multidimensional Construct," *Business Ethics: A European Review* 12, no. 1 (January 2003), 88-107.; M. Mahar, "Unwelcome Legacy: There's Still a Big Unpaid Tab for the S and L Bailout," *Barron's* 72, no. 48 (1992), 16.

<sup>7</sup> Norizah Mohd Mustamil, "The Influence of Culture and Ethical Ideology on Ethical Decision Making Process of Malaysian Managers" (Doctoral Thesis, Curtin University of Technology, 2010), 272.

<sup>8</sup> Osman Ayub, *Etika Kerja & Profesionalisme Islam* (Kuala Lumpur: Frontier Enterprise, 1989).

has become increasingly important on the basis of that the objective of business activities is the creation of value for the consumer.<sup>9</sup> It is believed that if ethics had played a larger role in the financial services sector, the recent global financial crisis might have been averted.<sup>10</sup> An ethical environment in the business and financial sectors offers vital support for maximizing long-term owner value. Thus, the financial services environment should not be an environment where there is a dichotomy between the personal ethical attitudes and the attitudes governing one's business life.<sup>11</sup> That is why in recent business practices, the discussion on work ethics has becoming very important.

The aforementioned facts are some of the main reasons why scholars across the globe place a great importance on studying work ethics. The importance of studying work ethics and how to instill it in the conscience of employees stems from the fact that without such ethics, there will emerge an inefficient administrative apparatus that does not respond to the needs of people.<sup>12</sup> Some scholars specifically highlighted the need to have a code of conduct as a means to judge administrative behavior.<sup>13</sup>

The integration of religious elements into this topic even makes the studies become more interesting. It was Max Weber who popularized the issue of religion in work ethics study through a seminal essay<sup>14</sup>. His ideas and theories were further developed in the field of social psychology which was closely related to the ideals of Protestantism and capitalism<sup>15</sup>; it was later known as the Protestant Work Ethics (PWE). The idea of

---

<sup>9</sup> Ronald Duska and James J. Clarke, "Ethical Issues in Financial Services," in *The Blackwell Guide to Business Ethics*, ed. Norman E. Bowie (New Jersey: Blackwell Publishing, 2001), 10.; M. Adli Musa, "Islamic Business Ethics & Finance: An Exploratory Study of Islamic Banks in Malaysia" (paper presented at the 8th International Conference on Islamic Economics, Doha, Qatar, 2011).

<sup>10</sup> M. Adli Musa, "Islamic Business Ethics."

<sup>11</sup> Ronald Duska and James J. Clarke, "Ethical Issues in Financial Services," 10.

<sup>12</sup> Fouad Al-Omar, *Work Ethics and Public Servants and Control Behavior from an Islamic Perspective*, 1st ed. (Jeddah: Islamic Institute for Research and Training, Islamic Development Bank, 1999).

<sup>13</sup> Phillip Monypenny, "A Code of Ethics as a Means of Controlling Administrative Conduct," *Public Administration Review* 13, no. 3 (Summer 1953), 184-187.

<sup>14</sup> Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Charles Scribner's Sons, 1930).

<sup>15</sup> Adrian Furnham, "The Protestant Work Ethic: A Review of the Psychological Literature," *European Journal of Social Psychology* 14, no. 1 (1984), 87-104.

PWE was first brought forth by the Puritans<sup>16</sup>, who upheld the idea of economic control by stressing on positive virtues like hardworking, trustworthy, punctual and honest. The ability to amass wealth was not just an individual's need, but it was consistent with the religion's teachings.<sup>17</sup> Weber's stance on the importance of religious ethics in reinforcing the economy was proven through the link between PWE and the growth of capitalism. He gave more emphasize on the ethics of Protestant-Calvinist<sup>18</sup>, which formed the backbone of the ideology of capitalism, which was instrumented in increasing the earnings of the Western society,<sup>19</sup> especially the economic growth of America in the early period.

Even though PWE appeared capable of improving the productivity of the Western economy in the decades, the applicability of models that are based on the secular elements is not applicable for other cultures and religious beliefs e.g. Muslims.<sup>20</sup> In fact, its materialistic nature and low emphasized towards humanistic values had led to an increase in suicide attempts, neighborhood ties, and the birth of an individualistic society. Consequently, the PWE began to disintegrate with its key elements slowly disappearing from modern Western society. It is vanishing from schools, from business, from popular culture, and leaving them with an economic system unmoored from the restraints of civic virtue.<sup>21</sup> Thus, the study of wok ethics from the standpoint of culture,

---

<sup>16</sup> Puritan is a group of English Protestants of the late 16<sup>th</sup> and 17<sup>th</sup> centuries who regarded the reformation of the Church of England under Queen Elizabeth as incomplete and sought to simplify and regulate forms of worship, cited from: Richard A. Muller, *Dictionary of Latin and Greek Theological Terms: Drawn Principally from Protestant Scholastic Theology* (Michigan, USA: Baker Publishing Group, 1996).

<sup>17</sup> Adrian Furnham, "The Protestant Work Ethic," 87-104.

<sup>18</sup> Calvinism (also called the reformed tradition or the reformed faith) is a major branch of Protestantism that follows the theological tradition and forms of Christian practice of John Calvin and other Reformation era theologians, cited from: Richard A. Muller, *Dictionary of Latin and Greek Theological Terms: Drawn Principally from Protestant Scholastic Theology*.

<sup>19</sup> Cheryl Lim and Chua Sin Lay, "Confucianism and the Protestant Work Ethic," *Asia Europe Journal* 1, no. 3 (2003), 321-322.; Riham Ragab Rizk, "Back to Basics: an Islamic Perspective on Business and Work Ethics," *Social Responsibility Journal* 1, no. 2 (2008), 246-254.

<sup>20</sup> Wahibur Rokhman, "The Effect of Islamic Work Ethics on Work Outcomes," *Electronic Journal of Business Ethics and Organization Studies* 15, no. 1 (2010), 21-27.

<sup>21</sup> Steven Malanga, "Whatever Happened to the Work Ethics?," *City Journal* 19, no. 3 (2009), retrieved on 19 December 2012, [http://www.city-journal.org/2009/19\\_3\\_work-ethic.html](http://www.city-journal.org/2009/19_3_work-ethic.html).

values and religious beliefs other than the Western's is very important to create a new perspective and adds a new reference on business ethics literatures.

Of many values, cultures and religious beliefs, a study from Islamic viewpoint is one of the most interesting fields to investigate. Currently, Islam is the most growing religion in the world and it was forecasted to grow at about twice the rate of the non-Muslim population over the next two decades.<sup>22</sup> The rapid growth of Islam has affected the way of people work and encouraged the development of many institutions that are based on Islamic values such as Islamic Banking Institutions (IBIs). Therefore, the study of work ethics from an Islamic perspective could be a solution to the ethics problem in organization as it focuses on a different angle as it reflects the Muslim traditions and way of life.<sup>23</sup>

Despite its importance, relatively little research has been devoted to an in-depth study of the Islamic Work Ethics (IWE) comparing to its PWE counterpart. Most studies on the area of work ethics currently refers to the Western's values, concepts and cultures, with their Judeo-Christian ethics.<sup>24</sup> In a preliminary research, the researcher proves this argument in a searching test on Google scholar using words "Protestant Work Ethic" and "Islamic Work Ethic" respectively. The result showed that articles related to the word PWE were 12,400 articles while IWE were only 439 articles,<sup>25</sup> which was only around 3.5% of the total article on PWE. Thus, this result showed a huge gap in the literature between the PWE and IWE.

---

<sup>22</sup> "The Future of the Global Muslim Population: Projections for 2010-2030," website *Pew Research Forum*, retrieved on 21 September 2012, <http://www.pewforum.org/The-Future-of-the-Global-Muslim-Population.aspx>.

<sup>23</sup> Darwish A. Yousef, "Islamic Work Ethic: A Moderator between Organizational Commitment and Job Satisfaction in A Cross-Cultural Context," *Personnel Review* 30, no. 2 (2001), 152-169.

<sup>24</sup> Amanullah Khan and Khurram Shahzad, "Work Outcomes of Islamic Work Ethics: Evidence from Pakistan," *Journal of Islamic Business and Management* 1, no. 2 (2012), 174.

<sup>25</sup> This test was conducted on 4 October 2012 at 5.00 PM Malaysian time. The "time range" used was "anytime" which means that the result is shown from the earliest paper found online to the test date. Meanwhile the "sorting scale" used was "sort by relevance" which found the most relevant articles to the key word used in the search box. In addition, this test also included "patent" and "citation" in the search result.

The earlier academic research on IWE began in decade of 1980's. It was triggered by the work of Max Weber on Protestant Ethic in which he claimed that only the Protestant Christian that could accelerate and boost up the economy while none of the eastern religions including Islam would be able to do so. Despite many Western scholars have refused this claim, many Islamic scholars were also keen to provide more accurate evidences to reject Weber's assertion. Naqvi<sup>26</sup> and Nasr<sup>27</sup>, for instance, were among the first Islamic scholars in the 1980's era who worked on this issue. Later in the late 1980's, Ali<sup>28</sup> developed a scale in measuring the IWE to counter Weber's premise. Ali's scale was later on utilized by many researchers around the globe to measure the IWE in different research settings.

In the practical level, the IWE concepts were not percolated down well into practices. It may be caused by the use of improper scale in measuring the IWE. The massive use of Ali's scale by many researchers might potentially create the problem as it leads to generalization of cultures and values that are in fact differ from one to another country. As the scales were intended as an immediate response to the PWE and the false claim on the economic backwardness that prevailed Muslim nations particularly the Arab states, they were mainly focusing on the items of economic development with the Arab setting and under the influence of the PWE. Thus, it was not surprising to discover many employees in Muslim countries were ignorant its importance.<sup>29</sup> As a result, workers tended to complain when administrations outline certain methods and policies that did not place the importance of workers' well-being.

---

<sup>26</sup> Syed Nawab Haider Naqvi, *Ethics and Economics: An Islamic Synthesis* (Leicester, UK: Islamic Foundation, 1981), 176.

<sup>27</sup> Seyyed Hossein Nasr, "Islamic Work Ethic," *Hamdard Islamicus* 7, no. 4 (1984), 25-35.

<sup>28</sup> Abbas Ali, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128, no. 5 (1988), 575-583.

<sup>29</sup> Syed Muhammad Naquib al-Attas, *Islam and Secularism* (Kuala Lumpur: International Institute of Islamic Thoughts and Civilization, 1978).

In addition, some studies on IWE only focused on fundamental aspects such as principles and attributes, while some others concentrated on certain regions such as Middle East and its surrounding regions.<sup>30</sup> Notwithstanding the studies have interestingly discussed IWE in various contexts, but the role of IWE on organizational performance, especially in the IBIs context has not received adequate attention. In order to obtain a comprehensive result and be accepted globally, more studies on IWE from other perspectives are certainly needed. Therefore, this study is intended to examine the influence of IWE on organizational performance in South-East Asia region, particularly Indonesia with the case study of Aceh province. Thus far, the studies on IWE in that particular region are considerably rare and if so, it is mainly found in Malaysian based context.<sup>31</sup>

Meanwhile, the IWE studies from Indonesian context were only few despite its large Muslim population.<sup>32</sup> Of the few researches found, most of them were categorized as

---

<sup>30</sup> For example: Abbas Ali, "Scaling an Islamic," 575-583.; Darwish A. Yousef, "Organizational Commitment as a Mediator of the Relationship between Islamic Work Ethic and Attitudes toward Organizational Change," *Human Relations* 53, no. 4 (2000), 513-537.; Darwish A. Yousef, "Islamic Work Ethic," 152-169.; Nik Mu'tasim Ab. Rahman, Nordin Muhamad, and Abdullah Sanusi Othman, "The Relationship Between Islamic Work Ethics and Organizational Commitment: A Case Analysis," *Malaysian Management Review* 41, no. 1 (2008), 79-89.; Abbas J. Ali and Ali A. Al-Kazemi, "Islamic Work Ethic in Kuwait," *Cross Cultural Management: An International Journal* 14, no. 2 (2007), 93-104.; Mahmood Khalil and Ismael Abu-Saad, "Islamic Work Ethic among Arab College Students in Israel," *Cross Cultural Management: An International Journal* 16, no. 4 (2009), 333-346.; Naresh Kumar and Raduan Che Rose, "Examining the Link between Islamic Work Ethic and Innovation Capability," *Journal of Management Development* 29, no. 1 (2010), 79-93.; Khaled M.K. Alhyasat, "The Role of Islamic Work Ethics in Developing Organizational Citizenship Behavior at the Jordanian Press Foundations," *Journal of Islamic Marketing* 3, no. 2 (2012), 139-154.; Wan Norhasniah Wan Husin, "Work Ethics from the Islamic Perspective in Malaysia," *European Journal of Social Sciences* 29, no. 1 (2012), 51-60.; Muhammad Shakil Ahmad, "Work Ethics: An Islamic Prospective," *International Journal of Human Sciences* 8, no. 1 (2011), 850-859.; Othman Mohd. Yunus et al., "Work Ethic of Malaysian Civil Servants" (paper presented at the 2nd International Conference on Business and Economic Research (ICBER), Langkawi, Kedah, 2011).; Muhammad Haroon, Hafiz Muhammad Fakhar Zaman, and Waiza Rehman, "The Relationship between Islamic Work Ethics and Job Satisfaction in Healthcare Sector of Pakistan," *International Journal of Contemporary Business Studies* 3, no. 5 (2012), 6-12.; Abdus Sattar Abbasi, Kashif Ur Rehman, and Amna Bibi, "Islamic Work Ethics: How it Affcets Business Performance," *Actual Problem of Economics* 126, no. 12 (2011), 312-322.

<sup>31</sup> For example: Mohd Zulkifli Muhammad et al., "An Analysis of Islamic Ethics in Small and Medium Enterprises (SMEs)," *UNITAR E-Journal* 4, no. 1 (2008), 46-58.; Norshidah Mohamed, Nor Shahriza Abdul Karim, and Ramlah Hussein, "Linking Islamic Work Ethic to Computer Use Ethics, Satisfactions, Organizational Commitment in Malaysia," *Journal of Business Systems, Governance and Ethics* 5, no. 1 (2010), 13-23.; Nik Mu'tasim Ab. Rahman, Nordin Muhamad, and Abdullah Sanusi Othman, "The Relationship Between Islamic," 79-89.

<sup>32</sup> Wahibur Rokhman, "The Effect of Islamic," 21-27.



basic researches since they were conducted using limited instruments and completed as part of undergraduate degree fulfillments.<sup>33</sup> Consequently, the outcomes have been too general, lack depth and did not profoundly reflect on the rich resources and ideas of Islamic teaching. Few advanced researches on ethics-related from Indonesian context have also been found but they were not specifically addressed the IWE concept in the IBIs.<sup>34</sup> In addition, the IWE studies from Indonesian context have been focused mostly on Java region, while other regions including Aceh have attracted very low attention. As the result, the findings might only applicable for Java region and questionable for other regions including Aceh. Hence, to fill in the gaps in the area, the present study is focused on the IWE's influences toward two main components of organizational performance, namely employees and customers<sup>35</sup> in the IBIs.

### 1.3 Problem Statement

Foregoing discussion demonstrates the significant need for work ethical studies in Islamic point of view from academic perspectives, especially in Indonesian context. In addition to that, the need of IWE study is also driven by unscrupulous reputation of Indonesian organizations in general. For many years, they have been criticized for their unfairness business practices and high levels of corruption. Transparency International—a global civil society organization leading the fight against corruption—

---

<sup>33</sup> For example: Fajar Rian Fitrianto, "Pengaruh Etos Kerja Islam Terhadap Kinerja Karyawan PT BPRS Buana Mitra Perwira Purbalingga" (undergraduate thesis, IAIN Walisongo, Semarang, 2011).; Irwan Baddu, "Pengaruh Etos Kerja Islami terhadap Karyawan (studi pada karyawan koperasi Baitul Maal Wat Tamwil Masalah Mursalah Lil Ummah Sidogiri Kabupaten Pasuruan)" (undergraduate thesis, Universitas Brawijaya, Malang, 2007).; Isnay Choiriyati, "Pengaruh Motivasi Dan Etos Kerja Islam Terhadap Kinerja Karyawan (Studi Kasus Pada Karyawan KJKS BMT Fastabiq Di Pati)" (undergraduate thesis, IAIN Walisongo, Semarang, 2011).; Mayya Puji Febriana, "Pengaruh Etos Kerja Islam Terhadap Kinerja Karyawan Pada Bank Pembiayaan Rakyat Syari'ah Artha Mas Abadi Kabupaten Pati" (undergraduate thesis, IAIN Walisongo, Semarang, 2009).

<sup>34</sup> For example: Heri Pratikto, "Pengaruh Motivasi Spiritual, Budaya Organisasi, Etos Kerja, Kinerja Profesional terhadap Perilaku Konsumsi (Studi Pada Guru-Guru Mata Pelajaran Ekonomi/Akuntansi SMA/MA/SMK di Wilayah Malang Raya, dengan Pendekatan Metode Mixed)" (Master Thesis, Universitas Negeri Malang, 2009).; Sutono and Fuad Ali Budiman, "Pengaruh Kepemimpinan dan Etos Kerja Islami terhadap Kinerja Karyawan di Koperasi Jasa Keuangan Syari'ah Baitul Maal Wat Tamwil di Kecamatan Rembang," *Analisis Manajemen* 4, no. 1 (2009), 11-28.

<sup>35</sup> Corina Gavrea, Liviu Ilies, and Roxana Stegorean, "Determinants of Organizational Performance: the Case of Romania," *Management & Marketing* 6, no. 2 (2011), 285-300.

in its 2011 index has ranked Indonesia at 100 on a scale of 1 to 182 which was from least to most corrupt countries.<sup>36</sup> In 2012 report, Indonesia's rank slipped to the rank 118 out of 174. Among ASEAN countries, Indonesia was ranked behind Singapore (5<sup>th</sup>), Brunei (46<sup>th</sup>), Malaysia (54<sup>th</sup>), and Thailand (88<sup>th</sup>), Philippines (105<sup>th</sup>), and even worse than Timor Leste (113<sup>rd</sup>).<sup>37</sup>

Furthermore, Financial Action Task Force (FATF)—the global standard setting body for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)—in its public statement on 16 February 2012 placed Indonesia on its blacklist as “one of countries with high potential of money laundering, but less efforts in fighting financial crimes”. Along with 14 other countries like Thailand, Pakistan, Ghana, Tanzania, Turkey and some others, FATF concluded that Indonesia was one of the countries that have not shown satisfactory efforts to address the deficiencies.<sup>38</sup>

However, the apparent differences between Western and Asian business ethics have led to arguments about the basis for this ranking. One of the main issues is the influence of culture, which makes this ranking a relevant inquiry. Thus, certain practices, such as gift-giving and taking in the public realm, is a normal tradition in many non-Western cultures, including Indonesia. In Chinese culture, it is known as *guanxi* or relationship-building. Luo<sup>39</sup> refers to the *guanxi* practice as “interpersonal linkage with the implication of continued exchange of favors”. Societies applying *guanxi* practices perceive that the business relationship involves a personal relationship between the involved parties, more than just a business deal. Thus, to show politeness and to establish a good relationship, they will give souvenirs, including money and

---

<sup>36</sup> "Corruption Perception Index 2011," website *Transparency International*, retrieved on 25 January 2013, <http://www.transparency.org/cpi2011/results>.

<sup>37</sup> "Corruption Perception Index 2012," website *Transparency International*, retrieved on 26 January 2013, <http://cpi.transparency.org/cpi2012/results/>.

<sup>38</sup> "FATF Public Statement 2012," website *FATF*, retrieved on 16 February 2012, [http://www.fatf-gafi.org/document/18/0,3746,en\\_32250379\\_32236992\\_49694738\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/18/0,3746,en_32250379_32236992_49694738_1_1_1_1,00.html).

<sup>39</sup> Yadong Luo, *Guanxi and Business* (Singapore: World Scientific Publishing, 2007).

entertainment. From a cultural perspective, this practice is considered to be ethical<sup>40</sup> but it is often misunderstood by the West, which often struggles with it and mistakes it for bribery.<sup>41</sup>

Despite these differences and misconceptions about certain cultural practices, as a global financial community, the Indonesian Government realized the need to overcome this issue. In the past few years, the government has taken some significant actions promoting ethics and preventing unethical practices to occur in Indonesia. In 2003, a powerful anti-corruption organization known as *Komisi Pemberantasan Korupsi* (Corruption Eradication Commission) was created.<sup>42</sup> This commission, better known as KPK, was formed to address, prevent and eradicate corruption in Indonesia.<sup>43</sup> For banking itself, the government has issued many regulations in preventing financial crimes since 2001 including Bank Indonesia's Regulations and other financial authority's regulations.<sup>44</sup>

The efforts, however, seemed not enough as they were not made sufficient progress at the implementation level, and subsequently, unethical practices such as corruption, fraud, money laundering and other financial crimes were still remaining. One of the biggest banking scandals after 1998 monetary-crisis in Indonesia was the collapse of Bank Century. This scandal involved similar circumstances to those of Enron including mismanagement, fraud and over-inflating profits. This case was allegedly caused state loss amounts totaling IDR 6.7 trillion<sup>45</sup> and remained unsolved.<sup>46</sup> In another example,

---

<sup>40</sup> Steve Lovett, Lee C. Simmons, and Raja Kali, "Guanxi versus the Market: Ethics and Efficiency," *Journal of International Business Studies* 30, no. 2 (1999), 231-248.

<sup>41</sup> Ricky Y. Chan, Louis T. Cheng, and Ricky W. Szeto, "The Dynamics of Guanxi and Ethics for Chinese Executives," *Journal of Business Ethics* 41, no. 4 (2002), 327-336.

<sup>42</sup> The KPK was established by the enactment of Indonesian Act No. 30/2002. This commission was developed following the ineffectiveness of similar organizations in previous regimes.

<sup>43</sup> "Fungsi dan Tugas," website *KPK (Komisi Pemberantasan Korupsi)*, retrieved on 27 June 2012, <http://www.kpk.go.id/id/tentang-kpk/fungsi-dan-tugas>.

<sup>44</sup> For example: Act No. 15/2002 about "Crime against Money Laundering", and Bank Indonesia Regulations (PBI) No. 3/10/PBI/2001 about the "Implementation of Know You Customer Principles (KYCP)".

<sup>45</sup> Estimated around RM 1.89 billion (RM 1 = Rp 3,533.62 on 1 July 2015 at 14.27 PM).

<sup>46</sup> Per October 2013 (at the time when the data was collected), this case is still under in-depth investigation of KPK.

during first quarter of 2011, the Indonesian Financial Transaction Reports and Analysis Centre (PPATK) found nine fraudulent cases on banking industry in Indonesia that involved individuals on the banks with total amount losses was IDR 200 billion<sup>47</sup>.

From IBIs' perspectives, the need of studying IWE was driven by the appearance of an overwhelming convergence of IBIs with Conventional Banking Institutions (CBIs) in terms of operations and products. Consequently, IBIs have compromised on their 'moral economy' related objectives and out comes by locating themselves within neo-classical economics. The paradigm shift from the Islamic Moral Economy (IME) to the Islamic finance industry and in particular the adoption of the commercial institutionalization of this industry globally since the mid-1970s represents an important divergence.<sup>48</sup>

The evidence on the current practice by most of Islamic banks worldwide including Indonesia suggests that the majority of financing operations are not based on equity. Rather, Islamic banks have consistently favored the use of debt-based modes of financing. Commercial IBIs totally ignore developmental efforts; their main aim is entirely profit maximization rather than ethical profit. Most managers in Islamic Banks are "playing" a safe role in order to keep a good track and reduce non-performing loan (NPL). Many managers in Islamic banks seem to avoid such high-risk investment, and thus hesitate to offer more financing like *muḍārabah* and *mushārah* which are actually more Islamic comparing to the *murābahah* financing which is a bit similar to the loan system in the conventional banks.<sup>49</sup> The result has been the 'financialization' as opposed to the 'financing' objectives of the IME which prioritizes social as well as economic optimality.<sup>50</sup>

---

<sup>47</sup> Estimated around RM 56.41 million (RM 1 = Rp 3,533.62 on 1 July 2015 at 14.27 PM).

<sup>48</sup> Mehmet Asutay, "The Socio-Ethical Failure in Islamic Banking and Finance" (IIBI Lecturer Series, Institute of Islamic Banking and Insurance, London, October 2011) [www.newhorizon-islamicbanking.com/index.cfm?section=lectures&id=11252&action=view](http://www.newhorizon-islamicbanking.com/index.cfm?section=lectures&id=11252&action=view).

<sup>49</sup> In Indonesia, data from central Bank of Indonesia as per October 2013 shows that the financing composition of Islamic Commercial Bank and Islamic Business Unit were: IDR107.48 billion (± RM 30.4 million) for murabahah contract, IDR37.92 billion (± RM 10.7 million) for musharakah contract, and IDR 13.67 billion (± RM 3.9 million) for mudarabah contract.

<sup>50</sup> Mehmet Asutay, "The Socio-Ethical Failure."

In the meantime, defaults in certain Islamic finance transactions have been witnessed in the last couple years. In Indonesia, a fraudulent case involving individuals in Islamic Business Unit of Regional Development Bank of Central Java (Bank BPD Jawa Tengah), for instance, was reported in August 2011. The fraud lingered at around IDR24 billion<sup>51</sup> failed to claim which was then recognized as a loss for financial year of 2011<sup>52</sup>. A similar case has also appeared in Malaysia few years earlier which involved Bank Islam Malaysia Berhad (BIMB). In 2005, the bank reported a loss of RM480 million due to provisioning of RM774 million as a consequence of high non-performing loans and investments from its Labuan branch. Cumulatively, the bank ran up non-performing financing totaling of RM2.2 billion by that financial year.<sup>53</sup>

These cases create suspicions amongst unconvinced Muslims and other critical outsiders who observe that Islamic banks in reality are no different from conventional banks since the net result of Islamic banking operations is the same as that of conventional banking.<sup>54</sup> Despite the fact that cases of financial scandals involving IBIs are rare, these cases imply that IBIs are a socially-constructed reality not a divine revelation and is therefore prone to the fallibility of all things human<sup>55</sup> and also there are chances of failure between theory and practice.<sup>56</sup> Additionally, these cases have shown that scandals could happen anywhere regardless of country, culture, religion and types of organizations. Thus, it is crucial for Islamic institutions including IBIs to regain the concept of IWE and leave the Western concept alone on its own ways.

Apart from that, as a business institution, Islamic banking is steadily moving into an increasing number of conventional financial systems from its modest starts in the middle of 20<sup>th</sup> century. By 2012, there were more than 1,000 Islamic financial

---

<sup>51</sup> Estimated around RM 6.8 million (RM 1 = Rp 3,533.62 on 1 July 2015 at 14.27 PM).

<sup>52</sup> Ainur Rahman, "Menghapus Nila Setitik di Bank Syariah," website *Majalah Stabilitas*, 15 November 2011, retrieved on 6 April 2012, [http://www.stabilitas.co.id/view\\_articles.php?article\\_id=231&article\\_type=0&article\\_category=2](http://www.stabilitas.co.id/view_articles.php?article_id=231&article_type=0&article_category=2).

<sup>53</sup> BIMB, *Annual Report 2005* (Kuala Lumpur: Bank Islam Malaysia Berhad, 2005), 1-76.

<sup>54</sup> Asyraf W. Dusuki, "The Ideal of Islamic Banking: A Survey of Stakeholders' Perception," *Review of Islamic Economics* 11, no. special (2007), 29-52.

<sup>55</sup> Mehmet Asutay, "The Socio-Ethical Failure."

<sup>56</sup> M. Adli Musa, "Islamic Business Ethics."

institutions were operating in many countries worldwide plus well over 250 mutual funds that complied with Islamic principles.<sup>57</sup> Over the last decade, this industry has experienced growth rates all around the world of 10-15% per annum with total assets was projected to reach USD1.1 trillion ( $\pm$  RM 4.2 trillion)<sup>58</sup> in 2012.<sup>59</sup>

Indonesia as the biggest Muslim country in the world has also enjoyed the same growth over the last decade. By the end of year 2011, the industry has flourished 48.1 percent which total asset was IDR 130.5 trillion ( $\pm$ RM 36.9 trillion).<sup>60</sup> According to Bank Indonesia, by quarter IV of 2011, there were 11 of *Bank Umum Syariah* (Islamic Commercial Bank) operating in Indonesia, 23 *Unit Usaha Syariah* (Islamic Business Unit) of conventional banks plus 154 *Bank Perkreditan Rakyat Syariah* (Islamic Rural Bank).<sup>61</sup>

As a result of the rapid growth of the IBIs, a competition with the Conventional Banking Institutions (CBIs) is unavoidable. Indeed, the competitions among them become tougher as the CBIs have more experiences and assets to respond to the needs and expectations of customers. Thus, having different strategies in attracting customers will be of great importance. It can be argued, therefore, that holding up the IWE should be of the utmost importance in winning over the clients.<sup>62</sup> Some of IWE values—such as transparency, accountability, responsibility, professionalism, and fairness—have already become policies for all IBIs in Indonesia including Aceh. The values are expected to be embraced by all employees in their daily activities. The present study is therefore designed to examine the influence of IWE values on organizational performance at the IBIs in Aceh province, Indonesia.

---

<sup>57</sup> P. K. Abdul Ghafour, "Islamic Banking Grows 10 to 15% Annually: IF Chairman," website *Khalifah Institute*, 23 April 2012, retrieved on 5 November 2012, [http://islamic-world.net/index.php?option=com\\_content&view=article&id=1939:islamic-banking-grows-10-to-15-annually-if-chairman&catid=34:islamic-economy&Itemid=66](http://islamic-world.net/index.php?option=com_content&view=article&id=1939:islamic-banking-grows-10-to-15-annually-if-chairman&catid=34:islamic-economy&Itemid=66).

<sup>58</sup> USD 1 = RM 3.76 on 1 July 2015 at 14.27 PM.

<sup>59</sup> Ernst & Young, "World Islamic Banking Competitiveness Report 2011-12: A Brave New World of Sustainable Growth" (paper presented at the 18th Annual World Islamic Banking Conference, Bahrain, 2011), 4.

<sup>60</sup> Bank Indonesia, *Outlook Perbankan Syariah Indonesia 2012* (Jakarta: Bank Indonesia, 2011), 1-30.

<sup>61</sup> *Ibid.*

<sup>62</sup> Wahibur Rokhman, "The Effect of Islamic," 21-27.

At first stage, this study extracts the basic concept of IWE derived from Quran and Hadith plus the Islamic scholars' opinions. Based on these resources, the instrument for IWE measurement is constructed. Following to that, the study will focus on investigating components of organizational performance from internal and external sides. The variables of employees and customers will represent the internal and external sides respectively.<sup>63</sup> Within this framework, this study further analyzes the impact of IWE to the employees' organizational commitment, job satisfaction, and their turnover intention. These factors are considered to be a potentially detrimental effect on the general organizational performance.<sup>64</sup> In relation to the implementation of the IWE, the degree of customer satisfaction is also examined including the existence of procedures for customer complaints and the extent to which customers' views are taken into consideration in establishing future objectives.

#### **1.4 Research Questions**

As it was previously mentioned, this research aims to investigate the issue of work ethics in Islam and its influence toward employees' organizational commitment, job satisfaction, and their turnover intention. It also analyzes the degree of customer satisfaction towards the implementation of IWE in the IBIs in Aceh. The problems raised in this study lie in the following questions:

1. How does Islam view the concept of work ethics?
2. What are the principles, dimensions and values of work ethics in Islam?
3. To what extent do the employees of IBIs in Aceh commit to IWE?
4. How does the IWE influence the employees' job satisfaction of IBIs in Aceh?
5. What is the impact of IWE on employees' organizational commitment at IBIs in Aceh?

---

<sup>63</sup> Corina Gavrea, Liviu Ilieș, and Roxana Stegorean, "Determinants of Organizational Performance," 285-300.

<sup>64</sup> Anselmo F. Vasconcelos, "Internal Demarketing: Construct, Research Propositions and Managerial Implications," *Management & Marketing* 6, no. 1 (2011), 35-58.

6. How is the correlation between IWE commitment and turnover intention at the IBIs in Aceh?
7. How does the IWE implementation at the IBIs in Aceh affect the customer satisfaction?

### 1.5 Research Objectives

Based on the above questions, the present study seeks to achieve the following objectives:

1. Exploring the notion of work ethics from Islamic views.
2. Measuring the employees' level of commitment towards IWE in IBIs in Aceh.
3. Analyzing the influence of IWE towards the employees' job satisfaction, organizational commitment, and turnover intention at IBIs in Aceh.
4. Determining the impact of IWE implementation on customer satisfaction at the IBIs in Aceh.

Table 1.1 Summary of Research Objectives and Questions

Objectives		Questions	
No		No	
1.	Exploring the notion of work ethics from Islamic views.	1	How does Islam view the concept of work ethics?
		2	What are the principles, dimensions and values of work ethics in Islam?
2.	Measuring the level of employees' commitment towards IWE in IBIs in Aceh	3	To what extent do the employees of IBIs in Aceh commit to IWE?
3.	Analyzing the influence of IWE towards the employees' job satisfaction, organizational commitment, and turnover intention at IBIs in Aceh.	4	How does the IWE influence the employees' job satisfaction of IBIs in Aceh?
		5	What is the impact of IWE on organizational commitment at IBIs in Aceh?
		6	How is the correlation between IWE commitment and turnover intention at the IBIs in Aceh?
4.	Determining the impact of the IWE implementation on customer satisfaction at the IBIs in Aceh.	7	How does the IWE implementation at the IBIs in Aceh affect the customer satisfaction?



By achieving these objectives, this thesis is intended to be able to provide valuable recommendations or guidelines for the improvement of IBIs efficiently and effectively. All research questions and objectives can be illustrated more clearly in the Table 1.1.

## **1.6 Significance of the Research**

The significance of this study contributes on both theoretical and practical levels. First, the research on IWE in relationship with organizational performance is considerable rare in these days especially the one that focus on the IBIs context. Most studies on work ethics, that are available in the literatures, are based on western's perspective which is derived from PWE. There are some researches on IWE, but they are still too general and mostly based on Middle Eastern examples. Many researchers have highlighted the need for further research carry out in the area of ethics from other perspectives.<sup>65</sup> Therefore, this study will contribute in filling the gap in the literature concerning the effect of IWE towards organizational performance in IBIs with the focus point of South-East Asia context especially Indonesia.

From a practical point of view, this study is expected to give a clear picture on how the employees and customers of Indonesian IBIs behave and to assist stakeholders in making valuable decisions. As the study takes place in a non-Middle Eastern country, it tests the usefulness of IWE to be applied all around the world regardless of countries, cultures and values. Findings of this study would potentially assist in the improvement of practices among IBIs to conform to the ethical norms established by Islam, which are

---

<sup>65</sup> For example: Mohd Zulkifli Muhammad et al., "An Analysis of Islamic Ethics," 46-58.; Samir Ahmad Abuznaid, "Business Ethics in Islam: the Glaring Gap in Practice," *International Journal of Islamic and Middle Eastern Finance and Management* 2, no. 4 (2009), 278-288.; Ahasanul Haque, "Islamic Banking in Malaysia: A Study of Attitudinal Differences of Malaysian Costumers," *European Journal of Economics, Finance and Administrative Sciences* 18, no. 2010), 312-322.; Bahaudin G. Muftaba, Reza Tajaddini, and Lisa Y. Chen, "Business Ethics Perceptions of Public and Private Sector Iranians," *Journal of Business Ethics* 104, no. 3 (2011), 433-447.; Zulkifli Hasan, "Corporate Governance in Islamic Financial Institutions: An Ethical Perspective," *Prime Journals of Business Administration and Management* 2, no. 1 (2012), 405-411.

in fact the core of their existence. Given these expectations, this study will contribute in providing valuable recommendations or guidelines for IBIs efficiently and effectively to have better organizational outcomes.

In addition, one of the mission of the Governor of Aceh under current administration<sup>66</sup> is to uphold *dīn al-Islām* that covers all aspects of life including Islamic banking. Learning to this noble mission, this study will provide a contribution on the improvement in the banking sector in Aceh.

## **1.7 Literature Review: Previous Studies and Gap**

Study on work ethics and its related subject has received considerable attention in the literature. As stated earlier, they are mostly conducted from Western perspectives. In the meantime, studies of work ethics from Islamic perspective have also been conducted by numerous researchers for years although they are not as many as PWE. However, the quantity and quality of the studies including the indicators used are considered inadequate to cover the wide range of problem and rapid change of world today. The following sections explain the IWE and discuss the gap existed within these studies. The discussion will be presented in theoretical and empirical aspects.

### **1.7.1 Theoretical Studies**

There are some studies on IWE from theoretical standpoint. Wan Norhasniah<sup>67</sup>, for example, identified the traits of Islam's work ethics and its effect on work ethics and the implementation among Muslim employees in Malaysia. Based on library research, the researcher found that works ethics in an organization, according to Islamic perspective, is capable of directly influencing job satisfaction and work performance level of an organization. Her study focused only on fundamental aspects of IWE and discussed the

---

<sup>66</sup> First term service of Governor Zaini Abdullah (2012 – 2017).

<sup>67</sup> Wan Norhasniah Wan Husin, "Work Ethics from the Islamic Perspective in Malaysia," 51-60.

concept at an idealistic level. Without elaborating into the acceptance into Muslim workers, the results were unrealistic.

Further, Ahmad<sup>68</sup> investigated the relation between IWE, rewards, work conflict, job turnover intentions, organizational commitment and job satisfaction based on literature studies. The results indicated there was a positive impact of IWE on employee job satisfaction, motivation and organizational commitment. Thus, it was necessary that governmental as well as private sector organizations adopted and followed the IWE for better productivity and employee satisfaction. The study relied heavily on qualitative aspects. To be applicable, a quantitative study is needed to explore the impact of all the variables in non-contrived setting. More variables such as organizational commitment, turnover intention and customer satisfaction need to be added in order to obtain more realistic output.

Moreover, Idrus et al.<sup>69</sup> studied the implication of IWE towards the organizational commitment and the moderating impact of job involvement. The result determined impact of the implementation of IWE and the employee commitment towards the organization. Other than that, it determined the understanding of the IWE from the employee perspective. Their research helped the management of an organization to determine the understanding of the employee towards IWE and to measure the elements in IWE that lead to the organizational commitment. Among many variables of job that can be studied, this research focused only on organizational commitment. Thus, this study is not comprehensive to observe the implementation of IWE for corporates particularly the IBIs. Many other variables such as job satisfaction, turnover intention, and many others should be integrated so as to achieve more reliable output.

---

<sup>68</sup> Muhammad Shakil Ahmad, "Work Ethics: An Islamic Prospective," 850-859.

<sup>69</sup> Syukuriah Idrus et al., "Islamic Work Ethics (IWE) towards the Organizational Commitment" (paper presented at the IEEE Colloquium on Humanities, Science, and Engineering Research, Penang, Malaysia, 5-6 December 2011), 402-406.

Furthermore, Ali and Al-Owaihian<sup>70</sup> attempted to review the concept of IWE. They aimed to present a coherent but critical treatment of IWE with the exploration the nature of IWE in the context of cultural and political evolution and offered a cultural and religious perspective pertaining to organization and management. They briefly investigated the economic and cultural conditions that facilitate the emergence of work ethics and the centrality of trade in Islamic culture. They also reviewed the pillars and foundations of IWE and investigated various empirical studies conducted in various countries. Based on that methodology, they found that IWE has economic as well as moral and social dimensions. These along with basic elements of IWE seem to provide the faithful with a sense of worthiness and strengthen organizational commitment and continuity. Their studies have practical implications that offer managers and consultants in various avenues on how to design teamwork and new methods of change that focus on producing results which reinforce existing commitment and enthusiasm.

However, although they have provided an interpretive definition of IWE, they did not provide any new scale for measuring IWE and used the same old measure of IWE, which is the scale designed by Ali<sup>71</sup> with insignificant change. Thus, only a very little progress has been made by many researchers after 1988 in provision or improvement of IWE scales. The other fault with the existing literature of IWE is that, it has been under the influence of PWE. Most of items for measuring IWE designed by Ali<sup>72</sup> are alike the PWE items. Thus, it creates ambiguity among the scale whether it intends to measure IWE or PWE.<sup>73</sup>

---

<sup>70</sup> Abbas J. Ali and Abdullah Al-Owaihian, "Islamic Work Ethic: a Critical Review," *Cross Cultural Management: An International Journal* 15, no. 1 (2008), 5-19.

<sup>71</sup> Abbas Ali, "Scaling an Islamic," 575-583.

<sup>72</sup> Since it developed by Abbas Ali in 1988, the scale has been widely used by many researchers to measure IWE for various perspectives.

<sup>73</sup> Hamid Ebadollahi Chanzanagh and Mahdi Akbarnejad, "The Meaning and Dimensions of Islamic Work Ethic: Initial Validation of a Multidimensional IWE in Iranian Society," *Procedia - Social and Behavioral Sciences* 30, no. n/a (2011), 916 – 924.

Likewise, Kholis<sup>74</sup> traced how Islamic religion taught Muslim to work ethically. He came up with several work ethical guidelines, including (1) work hard as working is viewed as manifest of faith, (2) avoid exploitation towards other creatures, (3) always worship Allah, (3) responsible in working, (4) work in halal way, (5) always be professional, etc. He argued that assembling of work ethics in Islamic perspective as guidance for working led to better life and be more prosperous. Kholis's work showed general guidelines on IWE. Similar to Ali and al-Owaihah's work above, the discussion of the concept of work ethics in Islam in his study has been too general and it stands at theoretical level. This work can be a basis for a quantitative research to develop an applicative model of IWE. Without further investigation, the findings of his study are difficult to apply at the empirical level.

Additionally, Omar<sup>75</sup> in his qualitative study which applies conceptual content analysis method sought to make a critical survey of the development of ethical although based on the earliest works on ethics including work ethics in Islam. He concluded that early Muslim discussions on ethical philosophy, such as those by al-Kindi, al-Farabi, and Ibn Sina, did not attain the status of a discipline although invariably serving as an introduction to their wider studies on politics, law and other fields of knowledge. According to him, Miskawayh was the first Muslim moralist to have separated ethics from other disciplines, offering a very thorough analytical system of Islamic ethics including the ethics of work. The study of Omar enhances the insight on Islamic ethics studies in general. It describes a broad paradigm on the concept of ethics in Islam. However, it did not provide a conceptual framework for a specific area like work ethics and its implementation in an Islamic-based organization. The study is also unable to measure the pertinence of the Islamic ethical concept with its implementation in the field using quantitative approach.

---

<sup>74</sup> Nur Kholis, "Etika Kerja dalam Perspektif Islam," *Journal Al-Mawarid* XI, no. 2004), 142-157.

<sup>75</sup> Mohd Nasir Omar, "Ethics in Islam: A Critical Survey," *Islamiyyat* 32, no. 2010), 157-171.

Another work on concept of Islamic ethics in general was written by al-Qudsy<sup>76</sup>. In the study, she intended to explore the concept of value and ethics from Islamic perspective with its implementation in Malaysia. She concluded that the origin or the motivating factor in adherence to ethical principles under the Islamic ethical philosophy was primarily the articles of faith in Islam. She claimed that practicing them full heartedly would form an ethical culture in everybody's life and make their implementation in workplace become realistic and easy. As Malaysia has inculcating Islamic values to become a national policy, she assured that standing on Islamic ethics and values in civil service practices would bring Malaysia to prosperity and be a good example to other Muslims countries especially in its delivery system. Similar to Omar's study, the work of al-Qudsy put emphasis on the concept of ethics in Islamic perspective with its practice in Malaysia. From theoretical aspect, her study is quite comprehensive. However, it is too general as it did not specifically address the work ethics concept. In addition, she cornered it from Malaysian perspective.

A specific study on IWE conducted by Possumah, Ismail and Shahimi<sup>77</sup>. They reviewed researches that integrated between religion and work by examining issues of concept, definition, measurement, and reviewing research that examines the relationship of work and religion with respect to different times, types of people, organize human interactions and sources of knowledge. They also discussed the methodological requirement for reintegrating work studies into social institutional theory and indicate what the conceptual payoffs of such integration might be included in breaking a new conceptual ground, resolving theoretical puzzles and envisioning the nature of new social institutions. However, in line with the above studies, their study stands on the level of concept. In the practical level, some theoretical aspects may not be applied due

---

<sup>76</sup> Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics Towards Quality Public Delivery System of Malaysia: an Islamic Perspective," *Jurnal Syariah* 15, no. 2 (2007), 25-43.

<sup>77</sup> Bayu Taufiq Possumah, Abdul Ghafar Ismail, and Shahida Shahimi, "Bringing Work Back in Islamic Ethics," *Journal of Business Ethics* 112, no. 2 (January 2013), 257-270.

to cultural differences. For implementation in an organization, theoretical concept alone is inadequate. Thus, based on this, quantitative studies need to be performed to obtain more applicative findings.

Similarly, Ahmad and Owoyemi<sup>78</sup> analyzed the concept of work ethics from the prophetic tradition. This research focused primarily on the Hadith by deliberately separating the treatment of the concept of work ethics in Hadith literature. They examined some characteristics and attitudes that are central to Islamic work ethics, such as attitudes to wealth, attitudes to livelihood, attitudes to time and attitudes to leisure. Through these attitudes, they concluded that the concept of work ethics is part and parcel of the Islamic tradition when properly analyzed, especially through the Hadith traditions, and it can serve its purpose in the work place as is the case in the Judeo-Christian traditions. Although it is called the Islamic Work Ethics, their study only viewed the concept of IWE from Hadith perspectives. This seems to be incomplete to be called as the concept of Islamic Work Ethics. In addition, parallel to the above literatures, this study is unable to provide comprehensive methods and show steps on how it should be integrated in an Islamic-based organization.

### **1.7.2 Empirical Studies**

Researches on IWE from practical stance have also been done in the past few years. Numerous researchers have put many efforts to contribute in the understanding work ethics from an Islamic perspective. Ali<sup>79</sup>, for instance, constructed the IWE scale as an effort to encounter the claim of earlier study of Weber<sup>80</sup> that stated the Eastern religions including Islam did not escalate the development of economic in a country. He tested

---

<sup>78</sup> Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic: An Analysis of Some Salient Points in the Prophetic Tradition," *International Journal of Business and Social Science* 3, no. 20 (Special Issue – October 2012), 116-123.

<sup>79</sup> Abbas Ali, "Scaling an Islamic," 575-583.

<sup>80</sup> Max Weber, *The Protestant Ethic*.

the scale in among 150 Arab students who studied in major universities in the United States and confirmed its reliability. Ali's study is a foundation for other researchers to conduct more researches on IWE all around the world. The scales have been widely used by many researchers to measure the IWE towards many organizational and management perspectives.<sup>81</sup>

In another study, Ali<sup>82</sup> utilized the scale in examining the IWE and the individualism among 117 managers in Saudi Arabia. He found that the managers in Saudi Arabia were highly committed to the IWE. In addition, the study showed a moderated tendency towards individualism. The result of this study provided further evidence of reliability of both measures and they significantly and positively related to each other. Similar to the above study, this study can also be categorized as a foundation study that called for further devising work ethics measures specific to each culture. In organizational context, Ali's work can be used as a basis to dig in a deeper understanding of the pattern of thinking and cultural differences across nation.

Using Ali's earlier work, Yousef<sup>83</sup> examined the potential mediating role of the IWE between locus of control, role conflict and role ambiguity. This study used a sample of 397 employees in a variety of manufacturing and service organization in the United Arab Emirates. Using correlation analysis and regression models, the study found that the IWE is related to locus of control and role of ambiguity. Further, in another study, Yousef<sup>84</sup> investigated the moderating impacts of the IWE on the relationships between organizational commitment and job satisfaction. It used a sample of 425 Muslim employees in several organizations in the United Arab Emirates (UAE). The empirical

---

<sup>81</sup> For example: Darwish A. Yousef, "Organizational Commitment," 513-537.; Darwish A. Yousef, "Islamic Work Ethic," 152-169.; Nik Mu'tasim Ab. Rahman, Nordin Muhamad, and Abdullah Sanusi Othman, "The Relationship Between Islamic," 79-89.; Abbas J. Ali and Ali A. Al-Kazemi, "Islamic Work," 93-104.; Mahmood Khalil and Ismael Abu-Saad, "Islamic Work Ethic," 333-346.; Naresh Kumar and Raduan Che Rose, "Examining the Link between," 79-93.

<sup>82</sup> Abbas J. Ali, "The Islamic Work Ethic in Arabia," *Journal of Psychology* 126, no. 5 (1992), 507-519.

<sup>83</sup> Darwish A. Yousef, "Organizational Commitment," 513-537.

<sup>84</sup> Darwish A. Yousef, "Islamic Work Ethic," 152-169.



results indicated that the IWE directly affects both organizational commitment and job satisfaction, and that it moderated the relationship between these two constructs. Findings further revealed that national culture did not moderate the relationship between the IWE and both organizational commitment and job satisfaction. It also pointed out that support of the IWE differed across age, education level, work experience, national culture, organization type (manufacturing or service), and ownership (private or public). Furthermore, empirical results suggested that there was a positive and significant relationship between job satisfaction and organizational commitment.

Yousef's works somehow contribute to the better understanding of IWE and supports managers in doing business in the Islamic environment. However, this study provides only framework for job satisfaction and organizational commitment. Thus, to have a better result, more variables need to be added. In addition, due to nature of the studies, the findings might not be generalized. The sample of his researches were limited to those who were working in government and service organization, male, married, work in administrative job, and held graduate degrees.

Additionally, Ali and al-Kazemi<sup>85</sup> investigated the centrality of IWE in the lives of managers in Kuwait and provided a useful insight into the nature of work environment and organizational culture. They used 762 managers as participants which were selected randomly from government and private sectors. They used two measures, IWE and loyalty scales. They analyzed the data using correlation analysis and one-way multivariate analysis along with frequency distribution. The results indicated that managers scored high on IWE and loyalty scales. There was a positive high correlation between the two measures. Demographic and organizational variables had significant influence on managerial orientations. In particular, it was found that expatriates scored

---

<sup>85</sup> Abbas J. Ali and Ali A. Al-Kazemi, "Islamic Work," 93-104.

higher than Kuwaiti managers on both IWE and loyalty and men scored relatively higher than women on IWE.

The study of Ali and al-Kazemi highlighted not only the importance of work ethics in a relatively rich country but also provides a useful insight into the linkage between IWE and loyalty and the changing nature of work in a country that has recently experienced profound social and economic changes. However, as it was only centered on Kuwait and used only loyalty factor, the result could not represent a broad area of IWE studies. There is a necessity of measuring work ethic and other work related factors in order to understand and to compare, over time, changing work beliefs and their relationship, if any, to social and economic development.

Furthermore, Alhyasat<sup>86</sup> studied the effect of IWE on the organizational citizenship behavior in Jordanian press organizations, and single out the most significant element of IWE. He adopted the descriptive analytical approach based on field survey. The population of the study consisted of seven daily newspapers in Jordan in 2010. Of the 241 questionnaires he distributed, 204 questionnaires were collected. He found that the level of commitment on the part of workers in Jordanian press foundations to IWE was high. In addition, there was a statistically significant effect of abidance by IWE (kindness and forgiveness in dealing with employees and clients, obedience to the people in power and respecting job ethics) in organizational citizenship behavior among employees in these organizations. Meanwhile, there was no statistically significant effect of abidance by the IWE (proficiency, giving advice to Muslims, sense of responsibility, justice and fairness, integrity and teamwork) in organizational citizenship behavior.

The study of Alhyasat was a comparative study based on related literature. This study involved a set of components of organizational citizenship behavior derived from IWE. It showed that ethics can be integrated into the human resources systems in media

---

<sup>86</sup> Khaled M.K. Alhyasat, "The Role of Islamic Work Ethics," 139-154.

organizations, and other types of entities. Additionally, it proved that these ethics can be incorporated into any code of conduct, stating the behaviors expected from every employee. This study, however, along with almost all previous studies was conducted in an Arab country; consequently the result may not be applicable to non-Arab countries. Additionally, this study only focused on investigating the link between IWE and organizational citizenship behavior. Further analysis with a broader area and different perspective is necessary.

From Pakistani context, Abbasi, Rehman, and Bibi<sup>87</sup> claimed that IWE had great potential to improve business performance of an organization in Pakistan. Using 114 managers of telecom organizations, the research determined business performance trends in the fast growing telecom industry. Correlational interpretations observed the impact of IWE on managerial performance and management on the example of telecom organizations. From a similar context, Haroon, Zaman, and Rehman<sup>88</sup> examined the relationship between IWE and job satisfaction among the nursing staff in healthcare sector of Pakistan. Using 80 nurses who were working in ten private hospitals, they found the empirical result that offered the evidence of a direct, positive and significant relationship between IWE and job satisfaction.

Additionally, Awan and Akram<sup>89</sup> also demonstrated the impact of IWE on innovation capability and sharing knowledge playing moderate role between their relationships in the public sectors' organizations in Pakistan. The valid and reliable scales were used for measuring the IWE, innovation capability and knowledge sharing. A number of 150 questionnaires were distributed among the officers of grade 17, grade 18, grade 19 and grade 20 in different public sectors' organizations and 102 officers responded among

---

<sup>87</sup> Abdus Sattar Abbasi, Kashif Ur Rehman, and Amna Bibi, "Islamic Work Ethics," 312-322.

<sup>88</sup> Muhammad Haroon, Hafiz Muhammad Fakhar Zaman, and Waiza Rehman, "The Relationship between Islamic Work Ethics," 6-12.

<sup>89</sup> Khuram Zafar Awan and Mehwish Akram, "The Relationship Between Islamic Work Ethics and Innovation Capability and Knowledge Sharing Plays Moderation Role," *International Journal of Economics and Management Sciences* 1, no. 8 (2012), 34-48.

them. The results showed that there was significantly positive relationship between IWE on innovation capability. When sharing knowledge was entered as moderator between their relationships the result was also positively significant on innovation capability. This results showed that knowledge sharing was played moderate role, hence all the hypothesizes of the study were significantly confirmed.

The studies of Abbasi, Rehman, and Bibi; Haroon, Zaman, and Rehman; and Awan and Akram above have considerable implications for the development of the next researches to build a bright workforce in other cultures and multinational organizations. However, their studies were cornered into limited Pakistani organizations and the sample sizes were considerably short. In addition, the tested instruments were also narrowed to certain factors such as business performance, job satisfaction, innovation capability, and sharing knowledge. The applicability of the results for an Islamic-based institution including IBIs was also questionable as none of the study objects were Islamic-based institutions. Thus, further study may be conducted in other sector of organizations and include all level of employees as a sample which supports the generalization of study's results. As the IWE may also influence on other important variables—such as organizational commitment, organizational citizenship of behavior, employees work performance, employees' motivation, employee's welfare, organizational justices and learning, job insecurity and satisfaction, human talent development and so on—further studies that involving these variables are certainly desirable.

Another sector that also has been interesting to link with the IWE is Small Medium Enterprises (SMEs). Uygur<sup>90</sup>, for instance, studied IWE in the context of Turkish small and medium-sized enterprises. He gathered data using in-depth interviews technique and interpreted it by using discourse analysis technique. Totaling 32 business people of

---

<sup>90</sup> Selcuk Uygur, "Investigating the Influence of Religion Over the Work Ethic Values of Turkish SME Owner-Managers" (paper presented at the BBS Doctoral Symposium, London, United Kingdom, 23-24 March 2009), 1-11.

SMEs were involved in his research. The result showed that IWE was not a significant factor for their attitudes. As this study only focused on Turkish society, the result might not be applied across culture which naturally differ one another.

From Malaysian context, Kumar and Rose<sup>91</sup> investigated the influence of IWE on innovation capability in the Malaysian public sector. The study sought an in-depth analysis of the IWE and its influence on innovation capability. The findings showed a support for the relationship between the variables. The IWE was found to be significant with moderate correlation and positive relationship with the innovation capability scale. In the same vein, they<sup>92</sup> also conducted an in-depth analysis of the knowledge sharing enablers and the moderating role of Islamic work ethic (IWE) on the relationship between knowledge sharing and innovation capability in the Malaysian public sector organizations. They found that the intrinsic motivation to share knowledge was significant in the public sector organizations. The relationship between knowledge sharing capability and innovation capability of employees in the Malaysian public sector organizations was found to be contingent on IWE.

Further, Rahman, Muhamad, and Othman<sup>93</sup> investigated a relationship between IWE and organizational commitment among 227 employees in a local bank in Malaysia. The result showed that IWE had a close correlation with organizational commitment. Additionally, Mohamed, Karim, and Hussein<sup>94</sup> investigated the link of IWE to individuals' attitudes towards computer use ethics, job satisfaction and organizational commitment in an academic organization. A total of 310 survey questionnaires were distributed using a cross-sectional self-administered survey method to academic staff of

---

<sup>91</sup> Naresh Kumar and Raduan Che Rose, "Examining the Link between," 79-93.

<sup>92</sup> Naresh Kumar and Raduan Che Rose, "The Impact of Knowledge Sharing and Islamic Work Ethic on Innovation Capability," *Cross Cultural Management* 19, no. 2 (2012), 142-165.

<sup>93</sup> Nik Mu'tasim Ab. Rahman, Nordin Muhamad, and Abdullah Sanusi Othman, "The Relationship Between Islamic," 79-89.

<sup>94</sup> Norshidah Mohamed, Nor Shahriza Abdul Karim, and Ramlah Hussein, "Linking Islamic Work Ethic to Computer Use Ethics," 13-23.

International Islamic University of Malaysia (IIUM) in four faculties. The study found that IWE within a university environment was linked to individuals' attitudes towards computer use ethics, job satisfaction and organizational commitment.

The above studies on IWE from Malaysian perspective above provided a different perspective on measuring IWE and contributed to the enrichment of work ethics literature. However, these studies featured only limited factors and none of them were discussed the applicability of the findings to be implemented across cultures. Thus, although the studies were salient and confined to the Malaysian organizations, it produced questionable implications for the development of an optimistic workforce in other regions and across sectors. Indeed, they suggested conducting more cross-sectional studies on IWE with some additional indicators to further confirm the results in relationship to the job-related factors such as job satisfaction, organizational commitment, turnover intention and some other factors.

A study from an Indonesian context itself has not much been found. One important research on IWE has been conducted by Rokhman.<sup>95</sup> He studied the effect of IWE on work outcomes, namely job satisfaction, organizational commitment and turnover intention. The study used a sample of 49 employees from 10 institutions of Islamic microfinance in Demak regency, Central Java Indonesia. The empirical testing indicated that IWE had positive effects on both job satisfaction and organizational commitment; whereas there was no significant evidence of the effect of IWE on turnover intention. Despite of importance, the findings of this study might not be generalized due to the nature of the sample as it only used 49 respondents. Additionally, it utilized limited number of variables, thus more studies that include more variables in relation with IWE are craved to give better explanation. Further, as the object study was focused on Islamic microfinance in a relatively small region—called Kudus in Central Java—other

---

<sup>95</sup> Wahibur Rokhman, "The Effect of Islamic," 21-27.

studies that focused on other perspectives e.g. Aceh and larger objects e.g. Islamic banking are needed. This is important in order to generalize the concept of IWE.

## **1.8 Operational Definitions**

This study utilizes some keywords such as Islamic work ethics, organizational performance, job satisfaction, organizational commitment, turnover intention, and customer satisfaction. These words will appear frequently in this thesis. Thus, in order to provide a better understanding regarding this study, these keywords will be explained in the following sub-topics:

### **1.8.1 Islamic Work Ethics**

Work ethics in Islam is performing tasks in meeting religious demands and is categorized as fulfilling religious obligations, which is categorized as worship (*'ibadah*).<sup>96</sup> The implementation is based on Quran and Sunnah, the Prophet s.a.w. traditions. The IWE is oriented more towards life fulfillment than life denial and holds business motives in the highest regard.<sup>97</sup> In this study, the term IWE is referred to the actions that are performed by employees of Islamic banks in their daily jobs in accordance with Islamic morality in order to attain quality of life and fulfill religious obligations.

### **1.8.2 Organizational Performance**

As one of the most important variables in the management research, performance is arguably the most important indicator of the organizational performance.<sup>98</sup> Although the concept of organizational performance is very common in the academic literature, a

---

<sup>96</sup> Sharifah Hayaati Syed Ismail and Siti Arni Basir, "Efektif Governan berteraskan Etika Kerja Islam di Malaysia" (paper presented at the Seminar Efektif Governan Menurut Perspektif Islam Peringkat Kebangsaan, Universiti Malaya, Kuala Lumpur, 2002), 5.; Ahmad Ismail Yahya Isa-Abduh, *Amal Fi Al-Islam: Kitab Yabhathu Fi Al-amal Wa-Al-amilin Fi Al-Shariah Al-Islamiyah Wa-Al-Nuzum Al-Wadiyah* (Cairo: Dar al-Maarif, 1983).

<sup>97</sup> Abbas J. Ali, "The Islamic Work," 507-519.; Abbas J. Ali and Ali Al-Kazemi, "The Kuwaiti Manager: Work Values and Orientations," *Journal of Business Ethics* 60, no. 2005), 63-73.

<sup>98</sup> Corina Gavrea, Liviu Ilieș, and Roxana Stegorean, "Determinants of Organizational Performance," 285-300.

solid definition is difficult to draw due to its many meanings. For this reason, there is not a universally accepted definition of this concept.

According to Lebas and Euske,<sup>99</sup> organizational performance is defined as a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results of an organization. Thus, in this study, organizational performance can be defined as the level of attainment of Islamic Banking Institutions (IBIs) in Aceh as shown by the selected non-financial indicators from internal (employees) and external (customers) sides.

The non-financial indicators used for internal sides are job satisfaction, organizational commitment and turnover intention. Meanwhile customer satisfaction will represent the external's side. In the following section, this thesis will explore the definition of the indicators respectively.

### **1.8.2.1 Job Satisfaction**

Hoppock defined job satisfaction as applying to the mental, physical, and environmental satisfaction of employees.<sup>100</sup> Locke contended that job satisfaction is a "pleasurable or positive emotional state, resulting from the appraisal of one's job experiences".<sup>101</sup> Job satisfaction can be used as a broad assessment of "an employee's attitudes of overall acceptance, contentment, and enjoyment in their work".<sup>102</sup> In general, various authors such as Locke, Scarpello and Campbell, and Spector have defined and measured job satisfaction both as a global feeling about the job and as a concept with various

---

<sup>99</sup> Michel Lebas and Kenneth J. Euske, "Conceptual and Operational Delineation of Performance," in *Performance Measurement: Theory and Practice*, ed. Andy Neely (Cambridge: Cambridge University Press, 2007), 71.; Robert S. Kaplan and David P. Norton, "Putting the Balanced Scorecard to Work," *Harvard Business Review* 71, no. 5 (1993), 134-142.

<sup>100</sup> Robert Hoppock, *Job Satisfaction* (New York: Harper & Brothers Publishers, 1935).

<sup>101</sup> Edwin A. Locke, "The Nature and Causes of Job Satisfaction," in *Handbook of Industrial and Organizational Psychology* ed. Marvin D. Dunette (Chicago, IL: Rand McNally, 1976), 1297-1343.

<sup>102</sup> Liz Lee-Kelley, Deborah A. Blackman, and Jeffrey Peter Hurst, "An Exploration of the Relationship between Learning Organizations and the Retention of Knowledge Workers," *The Learning Organization* 14, no. 3 (2007), 204-221.



dimensions or facets.<sup>103</sup> In this study, the definition of job satisfaction is in line with Locke which is a pleasurable or positive emotional state, resulting from the appraisal of employee's job experiences in an Islamic bank.

### **1.8.2.2 Organizational Commitment**

Porter, Steers, Mowday, and Boulin defined organizational commitment as "the strength of an individual's identification with and involvement in a particular organization".<sup>104</sup> They further presented commitment as being characterized by three factors: a belief in and acceptance of goals and values, a willingness to exert effort, and a strong desire to maintain membership.<sup>105</sup> One of the most popular models of organizational commitment was developed by Allen and Meyer.<sup>106</sup> This model was characterized by three commitment components: (1) affective; emotional attachment to the organization, (2) continuance; perceived costs associated with leaving the organization, and (3) normative; feeling of obligation towards the organization. According to Morrow and Wirth,<sup>107</sup> organizational commitment is defined as a psychological state that includes an individual's belief in and acceptance of the value of his or her chosen job in an organization, and a willingness to maintain membership in that job. Thus, in line with them, organizational commitment in this study is defined as a psychological state that includes an employee's belief in and acceptance of the value of his or her chosen job in an Islamic bank, and a willingness to remain in that job.

---

<sup>103</sup> Edwin A. Locke, "What is Job Satisfaction?," *Organizational Behavior and Human Performance* 4, no. 4 (1969), 309-336.; Vida Scarpello and John P. Campbell, "Job Satisfaction: Are All the Parts There?," *Personnel Psychology* 36, no. 3 (September 1983), 577-600.; Paul E. Spector, *Job Satisfaction: Application, Assessment, Causes, and Consequences* (Thousand Oaks, CA: Sage, 1997), 104.

<sup>104</sup> Lyman W. Porter et al., "Organizational Commitment, Job Satisfaction, and Turnover among Psychiatric Technicians," *Journal of Applied Psychology* 59, no. 5 (1974), 603-609.

<sup>105</sup> *Ibid*

<sup>106</sup> Natalie J. Allen and John P. Meyer, "Affective, Continuance, and Normative Commitment to the Organization: An Examination of Construct Validity," *Journal of Vocational Behavior* 49, no. 3 (1996), 252-276.; Natalie J. Allen and John P. Meyer, "A Three-Component Conceptualization of Organization Commitment," *Human Resource Management Review* 1, no. 1 (1991), 61-98.; John P. Meyer and Natalie J. Allen, *Commitment in the Workplace: Theory, Research, and Application* (Thousand Oaks, CA: Sage, 1997).

<sup>107</sup> Paula C Morrow and Rosemary E Wirth, "Work Commitment among Salaried Professionals," *Journal of Vocational Behavior* 34, no. 1 (1989), 40-56.

### 1.8.2.3 Turnover Intention

Turnover intention is a psychological variable of the tendency to leave that is closely related to turnover.<sup>108</sup> Several researchers e.g. Abrams, Ando, and Hinkle;<sup>109</sup> Lee and Mowday;<sup>110</sup> Michaels and Spector;<sup>111</sup> and Mobley<sup>112</sup> have pointed out that turnover intention was commonly endorsed in the literature as a predictor of turnover. In fact, Bluedorn<sup>113</sup> indicated that there was a significant positive relationship between leaving intentions and actual leaving behavior. Ongori<sup>114</sup> contended that the meaning of turnover intention is the plan to leave an organization, and this appeared to be the immediate antecedent to actually quitting. According to Tett and Meyer,<sup>115</sup> turnover intention is “a conscious and deliberate willingness to leave the organization”. From the above literatures, turnover intention in this study is defined as the employee’s willingness to quit from his/her job at an Islamic bank voluntarily.

### 1.8.2.4 Customer Satisfaction

Many researchers have looked into the importance of customer satisfaction. Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by an organization meet or surpass customer expectation. Some

---

<sup>108</sup> Peter P.M. Janssen, Jan de Jonge, and Arnold B. Bakker, "Specific Determinants of Intrinsic Work Motivation, Burnout and Turnover Intentions: A Study among Nurses," *Journal of Advanced Nursing* 29, no. 6 (1999), 1360-1369.

<sup>109</sup> Dominic Abrams, Kaori Ando, and Steve Hinkle, "Psychological Attachment to the Group: Cross-cultural Differences in Organizational Identification and Subjective Norms as Predictors of Workers' Turnover Intentions," *Personnel Social Psychology Bulletin* 24, no. 10 (1998), 1027-1039.

<sup>110</sup> Thomas W. Lee and Richard T. Mowday, "Voluntarily Leaving an Organization: An Empirical Investigation of Steers and Mowday's Model of Turnover," *The Academy of Management Journal* 30, no. 4 (1987), 721-743.

<sup>111</sup> Charles E. Michaels and Paul E. Spector, "Causes of Employee Turnover: A Test of the Mobley, Griffeth, Hand, and Meglino Model," *Journal of Applied Psychology* 67, no. 1 (53-59).

<sup>112</sup> William H. Mobley, *Employee Turnover, Causes, Consequences, and Control* (Reading, MA: Addison-Wesley, 1982).

<sup>113</sup> Allen C. Bluedorn, "A Unified Model of Turnover from Organizations," *Human Relations* 35, no. 2 (1982), 135-153.

<sup>114</sup> Henry Ongori, "A Review of the Literature on Employee Turnover," *African Journal of Business Management* 1, no. 3 (2007), 49-54.

<sup>115</sup> Robert P. Tett and John P. Meyer, "Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta-Analytic Findings," *Personnel Psychology* 46, no. 2 (1993), 259-293.

authors agreed that customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will differ from customer to customer, product or service to product or service. Both psychological and physical variables which correlate with satisfaction behaviors determine the state of customer satisfaction.<sup>116</sup> The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the firm's products or services. Measuring customer satisfaction provides an indication of how successful the firm is at producing products and services in the marketplace.<sup>117</sup>

Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals."<sup>118</sup> Kotler defined satisfaction as: "a person's feelings of pleasure or disappointment resulting from comparing a product are perceived performance (or outcome) in relation to his or her expectations".<sup>119</sup> Hoyer and MacInnis said that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight.<sup>120</sup> Christopher, Payne, and Ballantyne stated that customer satisfaction is a concept to determine of how the products or services delivered meet or exceed customer expectation.<sup>121</sup> Therefore, for this study customer satisfaction can be defined as the customers' feelings regarding their experiences with Islamic banks.

---

<sup>116</sup> Philip Kotler and Gary Armstrong, *Principles of Marketing*, 13<sup>th</sup> ed. (Prentice Hall, 2009), 744.; Valarie A. Zeithaml, Leonard L. Berry, and A. Parasuraman, "Communication and Control Processes in the Delivery of Service Quality," *Journal of Marketing* 52, no. 2 (Apr. 1988), 35-48.

<sup>117</sup> Christian Grönroos, "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing," *Management Decision* 32, no. 2 (1994), 4-20.

<sup>118</sup> Paul W. Farris et al., *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*, 2nd ed. (Upper Saddle River, New Jersey: Pearson Education, 2010).

<sup>119</sup> Philip Kotler, *Marketing Management*, 10<sup>th</sup> ed. (New Jersey: Prentice-Hall, 1999).

<sup>120</sup> Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 5th ed. (Mason, Ohio: South-Western Cengage Learning, 2008), 493.

<sup>121</sup> Martin Christopher, Adrian Payne, and David Ballantyne, *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, 2nd ed. (Oxford: Butterworth-Heinemann, 1991).; Philip Kotler and Gary Armstrong, *Principles of Marketing*, 744.; Christopher H. Lovelock, *Services Marketing* (Englewood Cliffs, New Jersey: Prentice Hall, 1991).

## **1.9 Scope and Limitations**

The focus of this study is more concerned on the assessment of relationship between IWE and organizational performance in the Indonesian Islamic banking environment. More specifically, it reviews the impact of IWE towards the employees' organizational commitment, job satisfaction, and turnover intention. It also examines the relationship between the applications of the IWE in the IBIs to the customer satisfaction in Aceh Indonesia. In order to make this research more focused, several limitations are set as follows:

### **1.9.1 Subject of Study**

The subject of this study is focused on the IWE and organizational performance in IBIs. Other ethics-related subjects such as business ethics, computer ethics, family ethics and so on will not be explored. The measurement of organizational performance will be centered on internal and external factors represented by employees and customers respectively. In this study, the employee side will be represented by job satisfaction, organizational commitment, turnover intention, while the customer side will be represented by the factor of customer satisfaction.

### **1.9.2 Object of Study**

The object of study is limited to the Islamic banks that are operating in Aceh particularly in Banda Aceh, the capital city of Aceh province, Indonesia. There are three types of Islamic banking in Aceh, namely Islamic Commercial Banks (ICBs), Islamic Business Units (IBUs), and Islamic Rural Banks (IRBs). There are five ICBs, five IBUs and 10 IRBs operating all around Aceh. In this study, Islamic banks from each category will be nominated as the object of study based on certain characteristics that will be mentioned in Chapter IV.

### 1.9.3 Location of Study

This study is conducted in the province of Aceh located in the Northwest of Sumatra Island with the area of approximately 57,365.57 km square or 12.26 % of size of Sumatra Island. It consists of 119 islands, 73 major rivers and two lakes. Aceh is surrounded by Malacca Strait in the north, North Sumatra Province in the east, Indian Ocean in the south and the west. Administratively, the province is subdivided into 18 *kabupaten* (regencies) and five autonomous *kota* (cities).<sup>122</sup> The cities and regencies are subdivided into the districts of Aceh. The capital and the largest city is Banda Aceh, located on the coast near the northern tip of Sumatra.

There are several reasons why Aceh is selected as the field of research. First, Aceh is a province which is inhabited by Muslim majority. The population of Aceh per census 2010 is around 4,494,410 people; consist of 2,248,952 male population (50.04%) and 2,245,458 female population (49.96%).<sup>123</sup> Of the total population, Muslims dominate the province with 98.80% or 4,440,477 followers, and only 0.84% or 377,530 Protestants, 0.16% or 71,910 Catholics, 0.18% or 80,899 Buddhism, and 0.02% or 8,988 Hinduism.<sup>124</sup>

Second, Aceh is the only province in Indonesia that is legally allowed to implement Shariah Law based on the enactment of Indonesian Act No. 44/1999, Act No. 18/2011, and Act No. 11/2006. It is clearly stated in the Act No. 11/2006 clause 125 paragraph one and two that Aceh has legal authority to implement Shariah Law which is including *'ibādah* (worship), *ahwal al shakhsiyyah* (family), *mu'āmalāt* (private), *jinayah* (criminal), *qada'* (justice), *tarbiyah* (education), *dakwah* (missionary), *shi'ar* (symbol) and the defense of Islam. The implementation of the law has influenced almost all aspects of the Acehnese daily lives which cannot be excluded from the guidance of

---

<sup>122</sup> "Provinsi Nanggroe Aceh Darussalam," website *Kementerian Dalam Negeri Republik Indonesia*, 2012, retrieved on 20 November 2012, <http://www.depdagri.go.id/pages/profil-daerah/provinsi/detail/11/nanggroe-aceh-darussalam>.

<sup>123</sup> "Aceh Province," website *Badan Pusat Statistik Indonesia*, 2012, retrieved on 20 November 2012, <http://sp2010.bps.go.id/index.php/site?id=11&wilayah=Aceh>.

<sup>124</sup> "Provinsi Nanggroe Aceh Darussalam".

Shariah. These daily activities encompass a relationship with God, relationship with fellow human beings and their relationship with the environment.

Based on the above justifications, every business activity both individual and corporate nature, therefore, must be conform to Islamic principles. Thus, any business entity intends to operate in Aceh should ensure its operations in accordance to the shariah Law. The practices of shariah law must be adopted by every corporation in developing a good relationship with the community and stakeholders. Any breach of the law in its relationship with the community, a company will face a legal action or social punishment from the community. Because of its uniqueness, Aceh has become an interesting area of field research as many researchers from several countries conduct their field-works in Aceh in the past few years<sup>125</sup> including the IWE field.

Third, Aceh is one of the pioneers on Islamic banking in Indonesia. According to data from Central Bank of Indonesia (Bank Indonesia), an Islamic Rural Bank has existed in Aceh before the first Islamic commercial bank was officially established on 1 May 1992. The rural bank, namely Bank Pembiayaan Rakyat Syariah (BPRS) Hareukat, was founded on 11 November 1991 along with three other BPRSs that were set up couple months earlier in Bandung, West Java.<sup>126</sup> This bank along with three other banks had encouraged the establishment of Bank Muamalat Indonesia (BMI) in 1992, the first Islamic commercial bank in Indonesia. Thus, it is interesting to investigate how the IWE is currently implemented in the Islamic banking in Aceh.

Finally, Aceh has been a central of attention during the last decades. Because of its major contribution during Indonesia's independent war, Aceh has been granted a special autonomy status. This unique status allows Aceh to create self-laws apart from Indonesian laws. The successful implementation of some laws are then triggered other regions to ask Central Government in Jakarta to nationalize such laws. Thus, the same

---

<sup>125</sup> Anjte Missbach, "Ransacking the Field," *Critical Asian Studies* 43, no. 3 (2011), 373-398.

<sup>126</sup> Muhammad Yasir Yusuf, "Tanggung Jawab Sosial Korporat pada Institusi Perbankan Islam di Aceh: Analisis Kriteria dan Persepsi" (Doctoral Thesis, Universiti Sains Malaysia, 2012), 471.

cases will possibly occur on this matter. The implementation of work ethics practices on IBIs in Aceh can be a role model for other Islamic institutions in other regions in Indonesia to implement the IWE-related matters.

In specific, the location of this study is mainly centralized in Banda Aceh city and its surrounding areas. There are several reasons for this: (1) headquarter and/or main branch offices of all Islamic banks that are operating in Aceh are located in Banda Aceh where all significant policies are made and spreading all around Aceh (2) the Islamic banks' headquarters and/or major branch offices in Banda Aceh have many employees who have experiences working in various areas all around Aceh, (3) Banda Aceh is seen as a perfect representative of the whole population of Aceh as its inhabitants consist of all ethnic and language groups living in the province.

#### **1.9.4 Respondents of Study**

The respondents of this study is only limited to the employees and customers of selected Islamic banks who resides in Aceh. Due to the difficulties to determine the exact number of customers and obtain sampling framework, purposive sampling technique is chosen. Within this technique, the sample will be selected based on specific characteristics. Meanwhile, the respondents for employees are all population from selected sample among the three categories of Islamic banking mentioned above. Details about respondent of this study will be comprehensively discussed in Chapter IV.

#### **1.10 Organization of Thesis**

This thesis is divided into eight chapters. Each chapter begins with an introduction to explain the purpose of writing the relevant chapter and ends with a conclusion as a summary of the chapters. It is organized to explain the approach to the study from the early stages to the conclusion of study. The phase of the thesis is described as follows:

In the current chapter, Chapter I, there is a discussion about the research background that provides the importance of the research and the problem in the existing literature. This chapter also explains the research objectives and its proper questions to be addressed and objectives of the research. In addition the theoretical and practical contribution of the research is also provided along with operational definitions, scope of study. Additionally this chapter also reviews past literatures focusing on the IWE and its related components.

Chapter II intends to analyze the concept of work ethics from Islamic perspective comprehensively and refines the conceptual framework for this thesis. The chapter examines the concept of IWE based on the Quran and Sunnah. At the end of the discussion, it provides the definition for each concept of work and ethics. Based on these discussions, the IWE definition as the whole concept is then defined. In addition, the principles, dimensions, and values of IWE are listed. The discussion of each dimension and value is provided in later section including sources (Quranic surah and hadith) and their significance in IWE. The main objective of this chapter is to achieve the first objective of this study which is to explore notion of work ethics from an Islamic views.

Chapter III discusses the components of organizational performance and their connection to the IWE. The chapter focuses on studying the influence of IWE towards job satisfaction, organizational commitment, turnover intention, and customer satisfaction, particularly from previous studies. Based on these connections, in later section, the chapter develops the research model and hypothesis for the objectives 2 to 4.

Further, in Chapter IV the methodology of this study is outlined. In general, the chapter discusses the design of the study, data collection method and data analysis method.



Specifically, the chapter explains sample selection methods, the rationales for using a questionnaire survey and statistical tools for data analysis. The discussion on the preliminary trials including expert validation and pilot studies are explained. In later section, this chapter discusses the feedbacks from these steps that are carried out in the process of developing the questionnaire.

Chapter V discusses the profile of IBIs—that are selected for the sample of the study—comprehensively. It commences with the historical background of IBIs and its spreading all over the world. The growth of Islamic banking in Indonesia is also discussed in this chapter before the discussion of the profile of each selected Islamic banks. The explanation on the profiles of Islamic banks in Aceh includes the initiative of the banks to commit and perform the work as outlined by IWE.

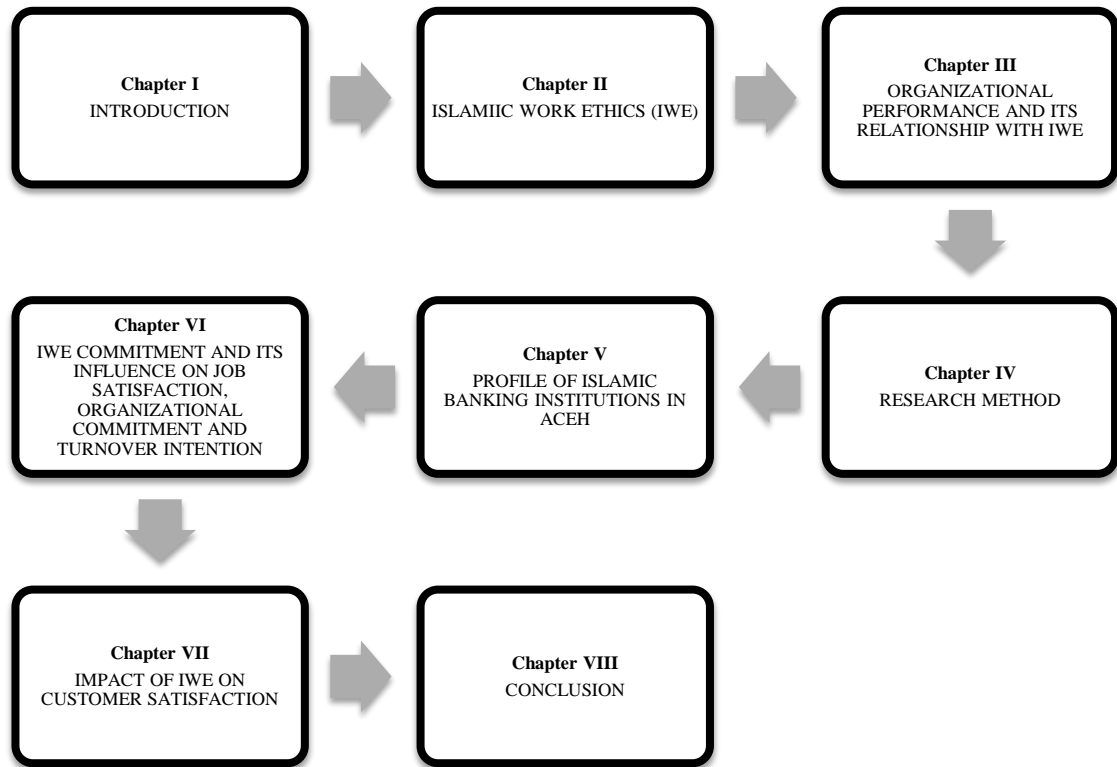
Chapter VI discusses the research findings from the empirical work undertaken, especially results from the employee side. The data collection technique and analysis are also discussed in the chapter. Several statistical tools that are utilized in analyzing the results are also explained, such as descriptive statistics (including the analysis of Mean and Standard Deviation), Pearson Correlation, Cronbach Alpha, simple regression analysis, t-test, and one-way ANOVA. In later section, the discussions on the findings including the hypotheses testing are presented.

Meanwhile, Chapter VII discusses the result from the customer side. Similar to chapter 6, the chapter discusses the preliminary analysis of data; the background information of respondents; the frequency distribution and descriptive statistics of the data. The chapter also presents the analysis of the statistical findings and discusses it comprehensively in later section.

In the final chapter, Chapter VIII, the summary of the research overview and the significant contribution of this research are presented. For the purpose of extending understanding in the area of research, the limitations of the research and

recommendations for future research are also given. For the purpose of clarity, Figure 1.1 summarizes the organization and flow of discussion of this thesis.

Figure 1.1 Summary of the Thesis Flowchart



## 1.11 Conclusion

This chapter aims to provide the background of the related issues and topics in order to clarify and highlight the importance of the research. Based on the existing literature, the chapter addresses the significant need of study in the area of IWE in relationship to organizational performance in Islamic organizations particularly the IBIs context. In Islamic view, the foundation of work ethics implementation in every organization has to be based on two main sources of Islamic teaching, Quran and Hadith. Thus, the outcomes of this study will not only benefit the object of study, which is IBIs, but also will contribute to the development of work ethics studies.

## CHAPTER II

### ISLAMIC WORK ETHICS (IWE)

#### 2.1 Introduction

This chapter reviews related literatures pertinent to the first objective of the study. In general, the main objective of this chapter is to seek the answer for the first objective of this thesis, particularly provides the answer for questions 1 and 2. The discussion on this chapter is concentrated on the issues of work ethics in Islam or popularly known as Islamic Work Ethics (IWE). The discussion starts with general overview of work ethics which is then followed by the exploration of IWE concept derived mainly from the Quran and Hadith. In the next section, a detail description on the concepts of work and ethics in Islam is provided. It also touches the distinction between IWE and conventional work ethics that mainly based on Weber's Protestant Work Ethics (PWE). In later section, the discussion of the concepts, the principles, dimensions, and values of IWE are also provided.

#### 2.2 Overview of Work Ethics

The presence and interest in work ethic, especially within the religious-economics conditions in the 19<sup>th</sup> century, was influenced by the fact that prior to the industrial revolution in Europe, work was not regarded properly. At that time, work was neither appreciative nor in favor of the prevailing religious and social norms. This fact can be detected in the writings that were published during that era. The work of Adam Smith<sup>1</sup>, for instance, indicated that “businessmen are an order of men, whose interest is never the same with that of the public, who have generally an interest to deceive and even to oppress the public and who accordingly have, upon many occasions, both deceived and

---

<sup>1</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. Jim Manis, The Electronic Classics Series (Hazleton, PA: Pennsylvania State University-Hazleton, 2005), 314.

oppressed it". As the time passed, the negative view of work had gradually altered. Some researchers believed that the emergence of Christian's Protestantism and the rise of the industrial revolution in Europe evolved the view of work to become positive<sup>2</sup>.

This view was reflected in Max Weber's seminal essay "the Protestant Ethic and the Spirit of Capitalism"<sup>3</sup>. According to Cherrington<sup>4</sup>, the core elements of work ethic that derived from Weber theory included hard work, long hours with little or no time for leisure, pride in work and a job well done, an orientation toward achievement as well as acquired wealth, along with frugality, thrift and wise investment. Weber's publication has triggered many researches of work ethic and the role of religion in advancing economic growth and the accumulation of wealth<sup>5</sup>. The rise and evolution of work ethics, as many scholars believed, have contributed to the changing economic and religious environments in the Western world, particularly in Europe and the USA. Consequently, according to these scholars, the economic expansion in these regions created new forms of economic enterprises and then changed the nature and meaning of work<sup>6</sup>.

In addition, the conceptualization of work ethic was necessary to ease the management of the newly invented work organization.<sup>7</sup> As the consequences of the emerged industrial capitalism in the 18<sup>th</sup> century, employees faced the demands of new work and asked themselves why they should do it. Employers sought a theory of productive behavior which offered the promise of engaging the spirit as well as the body of the

---

<sup>2</sup> Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic: a Critical Review," *Cross Cultural Management: An International Journal* 15, no. 1 (2008), 5-19.

<sup>3</sup> Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Charles Scribner's Sons, 1930).

<sup>4</sup> David J. Cherrington, *The Management of Human Resources*, 4th ed. (Englewood Cliff, New Jersey: Prentice-Hall, 1995).

<sup>5</sup> Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic," 5-19.

<sup>6</sup> *Ibid.*

<sup>7</sup> Shoshana Zuboff, "The Work Ethic and Work Organization," in *The Work Ethic: A Critical Analysis*, ed. Jack Barbash et al. (Madison, WI: Industrial Relations Research Association, 1983), 153-181.

worker. The argument was supported by Barbash<sup>8</sup> and Welsh<sup>9</sup> who traced that most of the modern conviction about work linked to the era of the industrial revolution. Further, Ferguson<sup>10</sup> and Diddams and Whittington<sup>11</sup> concluded that the existence of work ethic is a phenomenon that is linked to and associated with the emergence of industrial revolution and the rise of contemporary capitalism.<sup>12</sup> Barbash, however, asserted that work ethic is an ideology that was propagated by the middle classes for the working classes with enough “plausibility and truth to make it credible”.<sup>13</sup> According to Boatwright and Slate,<sup>14</sup> work ethics is defined by the extent to which participants responded to work ethics items in term of their importance in the participants’ views. It is also defined by the values responded to by participants.

Belief about work ethic differs across time, countries, and organizations. The evolution of work ethic and the meaning of work in the Western world may correspond to the nature of the European society and its values and beliefs. However, one should not overlook to the fact that other societies have their own work ethics and beliefs. This statement is true when it refers to Islamic civilization and belief. Over centuries, the civilization has accumulated a wealth of knowledge and experience pertaining to work and economic enterprises. Its achievements were a testimony to the existence of thriving cultures. Since the early days of Islam, Muslims have offered unique perspectives on work and have formulated specific conceptualization of work ethics.<sup>15</sup>

---

<sup>8</sup> Jack Barbash, "Which Work Ethic?," in *The Work Ethic: A Critical Analysis*, ed. Jack Barbash et al. (Madison, WI: Industrial Relations Research Association, 1983), 231-260.

<sup>9</sup> Alexander Welsh, "Business Is Busyness or the Work Ethic," *Social Research* 72, no. 2 (2005), 471-500.

<sup>10</sup> Niall Ferguson, "Economics, Religion and the Decline of Europe," *Economic Affairs* 24, no. 4 (2004), 37-40.

<sup>11</sup> Margaret Diddams and J. Lee Whittington, "Book Review Essay: Revisiting the Meaning of Meaningful Work," *Academy of Management Review* 28, no. 3 (2003), 508-512.

<sup>12</sup> Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic," 5-19.

<sup>13</sup> Jack Barbash, "Which Work Ethic?," 231-260.

<sup>14</sup> John Boatwright and John Slate, "Work Ethic Measurement of Vocational Students in Georgia," *Journal of Vocational Education Research* 25, no. 4 (2000), 503-531.

<sup>15</sup> *Ibid.*

### 2.3 The Concepts of Work Ethics in Islam

The concept of work ethics in Islam, like many other life-related concepts, has universal values that might be applied to all people regardless of culture, religion, nation, and local value. The conception of good and bad, for instance, has universal value that most people tend to agree with, such as being honest is good and being dishonest is bad; cleanliness is good, dirtiness is bad; and so forth. Thus, in general, it is understandable that work ethics in Islam shares some similarities with the work ethics in other religions, especially when emphasized on hard work, commitment and dedication to work, avoidance (intolerance) unethical methods of wealth accumulation and competitiveness at the workplace.<sup>16</sup>

Nevertheless, in specific, Islam differs from other beliefs. The work in Islam is performing tasks in meeting religious demands and is categorized as fulfilling religious obligations, which is the best form of worship (*'ibādah*)<sup>17</sup>. That is why Allah commanded men to work for their sustenance that He made available everywhere.

هُوَ الَّذِي جَعَلَ لَكُمُ الْأَرْضَ ذُلُولًا فَامْشُوا فِي مَنَاكِبِهَا وَكُلُوا مِن رِّزْقِهِ<sup>ط</sup>

Al-Mulk 67:15

Translation: He it is Who made the earth smooth for you, therefore go about in the spacious sides thereof, and eat of His sustenance.

In Islam, work is regarded in a higher level and Allah put it at the level of *jihād* for fighting the infidels. In the Quran, Allah mentioned them together.

... وَءَاخِرُونَ يَضْرِبُونَ فِي الْأَرْضِ يَبْتَغُونَ مِن فَضْلِ اللَّهِ وءَاخِرُونَ يُقَاتِلُونَ فِي سَبِيلِ اللَّهِ<sup>ط</sup> ...

Al-Muzzammil 73:20

---

<sup>16</sup> Darwish A. Yousef, "Organizational Commitment as a Mediator of the Relationship between Islamic Work Ethic and Attitudes toward Organizational Change," *Human Relations* 53, no. 4 (2000), 513-537.

<sup>17</sup> Sharifah Hayaati Syed Ismail and Siti Arni Basir, "Efektif Governan berteraskan Etika Kerja Islam di Malaysia" (paper presented at the Seminar Efektif Governan Menurut Perspektif Islam Peringkat Kebangsaan, Universiti Malaya, Kuala Lumpur, 2002), 5.

Translation: ...and others who travel in the land seeking of the bounty of Allah, and others who fight in Allah's way...

The implementation of work ethic in Islam is based on Quran and Sunnah, the Prophet Muhammad s.a.w. traditions. In Muslim societies, the Quranic texts and sayings of Prophet Muhammad are an integral part of socio-political discourse. Work in Islam, therefore, is situated in the core of the faith and is considered as an integral part of life. Thus, instilling noble virtues is closely tied to one's faith towards Allah SWT. With a strong faith, one will definitely have strong virtues which will be reflected when one performs his tasks<sup>18</sup>.

The work ethic in Islam constitutes the expectations of one's relations with respect to his behavior at work<sup>19</sup>. This includes his or her effort, dedication, cooperation, responsibility, social relations and creativity<sup>20</sup>. Essentially, with a close relationship with God, one could expect to spur his attitudes and behavior to be consistent with the rules and stipulations of the religion<sup>21</sup>. IWE advocates the importance of performing one's work to the best of ability for the pleasure of God<sup>22</sup>. Kheder<sup>23</sup> highlighted that when Muslim professionals were confronted with dilemma between public and personal interests, they should give a priority in their behaviors to the interests of public.

In an organization, IWE advocates the importance of fostering good cooperation and collaboration when faced with conflict, which in turn improves the job quality. In return, it does not condone conglomerates to accumulate wealth while overlooking the

---

<sup>18</sup> Abbas J. Ali and Manton Gibbs, "Foundation of Business Ethics in Contemporary Religious Thought: the Ten Commandment Perspective," *International Journal of Social Economics* 25, no. 9 (1998), 1552-1564.

<sup>19</sup> Norshidah Mohamed, Nor Shahriza Abdul Karim, and Ramlah Hussein, "Linking Islamic Work Ethic to Computer Use Ethics, Satisfaction, Organizational Commitment in Malaysia," *Journal of Business Systems, Governance and Ethics* 5, no. 1 (2010), 13-23.

<sup>20</sup> Nik Mu'tasim Ab. Rahman, Nordin Muhamad, and Abdullah Sanusi Othman, "The Relationship Between Islamic Work Ethics and Organizational Commitment: A Case Analysis," *Malaysian Management Review* 41, no. 1 (2008), 79-89.

<sup>21</sup> *Ibid*

<sup>22</sup> Mohammed Zaki Kheder, "Islamic Fundamentals in Software Engineering" (paper presented at the International Conference on Information Systems and Islam, Kuala Lumpur, 2001).

<sup>23</sup> *Ibid*

welfare of workers. Meanwhile, in improving work quality, Islam allows healthy competition among businesses that lead to a better performance in an organization since it does not intend to deny human's needs but to fulfill it with occupational objectives or business dealings that do not contradict the religious teachings<sup>24</sup>. Therefore, all of economic activities in Islamic institutions could not be separated from the concept in the Quran and the Hadith.

Another difference of work ethics in Islam and other beliefs is deeds and intentions. These constitute significant pillars in the IWE in which Islam places more emphasis on intention than on results and it stresses social aspect in the workplace and duties towards society. Thus, it is the criterion upon which work is evaluated in terms of benefit to community. Any activity that is perceived to do harm, such as gambling, prostitution, monopoly, hoarding, and so on, even though it results in significant wealth to those who undertake it, is considered unlawful.

The present study will not discuss further the differences among the beliefs as this was not the purpose of the study. However, by putting the universal values aside, this study is trying to dig into the core of Islamic teaching as an effort in finding the concept work ethics in Islam. Thus, any universal value found within the IWE concept is understandable as it might apply to all people regardless of culture, religion, nation, environment and local value. Indeed, this study would like to observe the similarities as al-Maududi<sup>25</sup> stated that work ethics must be universal in nature so that it could be embraced by any society irrespective of religion, skin color, race, or ethnic.

The following section will discuss the concept of work ethic in Islam comprehensively that are mainly derived from Quran and Hadith plus scholar opinions and elaborations.

---

<sup>24</sup> Abbas Ali, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128, no. 5 (1988), 575-583.

<sup>25</sup> Abu al-'Ala al-Maududi, *Islamic Way of Life* (Karachi: Islamic Research Academy, 1967).



The discussion starts with the origin of word “ethic” including its definitions in conventional perspective. It follows by a broad explanation of ethical concept from Islamic perspectives and tailed by the Islamic concept of work. By understanding the two concepts, the IWE concept would be insightful.

### 2.3.1 The Concept of Ethics in Islam

In understanding the work ethics concept from various perspectives including the Islamic perspective, one should first understand the term ‘ethics’ as it is a common term in reflecting human behavior<sup>26</sup>. The word ‘ethics’ originally comes from Middle English’s word ‘*ethic*’, ‘*ethique*’ of Middle French, Latin’s ‘*ethice*’ and Greek’s *ēthos*.<sup>27</sup> Ethics is a branch of philosophy that is dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions<sup>28</sup>. It is the discipline that dealing with what is good and bad and with moral duty and obligation<sup>29</sup>. Ethics studies the basic concepts and fundamental principles of right human conduct. It includes study of universal values such as the essential equality of all men and women, human or natural rights, obedience to the law of land, concern for health and safety and, increasingly, also for the natural environment<sup>30</sup>. The word ethics is commonly used interchangeably with ‘morality’ and sometimes it is used more narrowly to mean the moral principles of a particular tradition, group, or individual<sup>31</sup>.

---

<sup>26</sup> Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics Towards Quality Public Delivery System of Malaysia: an Islamic Perspective," *Jurnal Syariah* 15, no. 2 (2007), 25-43.

<sup>27</sup> "Ethic," website *Merriam-Webster*, retrieved on 29 January 2013, <http://www.merriam-webster.com/dictionary/ethic>.

<sup>28</sup> "Ethics," website *Dictionary.com*, retrieved on 29 January 2013, <http://dictionary.reference.com/browse/ethics>.

<sup>29</sup> "Ethic", website *Merriam-Webster*.

<sup>30</sup> "Ethics," website *BusinessDictionary.com*, retrieved on 27 January 2013, <http://www.businessdictionary.com/definition/ethics.html#ixzz2JLaYiGqL>.

<sup>31</sup> Robert Audi, ed. *The Cambridge Dictionary of Philosophy*, 2<sup>nd</sup> ed. (Cambridge, UK: Cambridge University Press, 1999).

The definitions of ethics generally centered on the moral issues relating to ‘right’ and ‘wrong’ of human behaviors. Ethics is also the process of determining right and wrong conduct<sup>32</sup>. Beekun<sup>33</sup> defined ethics as a set “moral principle that distinguishes what is right from what is wrong”. Paul and Elder<sup>34</sup> defined ethics as “a set of concepts and principles that guides us in determining what behavior helps or harms sentient creatures”. It is also defined as a moral principle or set of moral values held by an individual or group<sup>35</sup>. Specifically, ethics is about “how people ought to act to be moral”<sup>36</sup> by setting a “standards of good or bad, or right or wrong”<sup>37</sup>, or “permissible” in one’s conduct<sup>38</sup>, “...in terms of rights, obligations, benefits to society, fairness, or specific virtues”<sup>39</sup>.

Ethics aims to study both moral and immoral behavior in order to make well-founded judgments and to arrive at adequate recommendations. Specifically, ethics studies how people try to live according to a standard of ‘right’ or ‘wrong’ behavior in both how people think and behave toward others and how people would like the others to think and behave toward them<sup>40</sup>. Ethics has a twofold objective: (1) it evaluates human practices by calling upon moral standards; (2) it may also give prescriptive advice on how to act morally in a given situation.<sup>41</sup> Despite the issue of ethics has lasted for

---

<sup>32</sup> "Ethic," website *Ethics Score Board*, retrieved on 28 January 2013, [http://www.ethicsscoreboard.com/rb\\_definitions.html](http://www.ethicsscoreboard.com/rb_definitions.html).

<sup>33</sup> Rafik Issa Beekun, *Islamic Business Ethics* (Herndon, Virginia: International Institute of Islamic Thought; Amana Pubns, 1997).

<sup>34</sup> Richard Paul and Linda Elder, *The Thinker's Guide to Understanding the Foundations of Ethical Reasoning* (Tombala, CA: The Foundation for Critical Thinking Press, 2009).

<sup>35</sup> "Ethics," website *Collins Dictionary*, retrieved on 29 January 2013 <http://www.collinsdictionary.com/dictionary/english/ethics>.

<sup>36</sup> R.A. Buchholz and S.B. Rosenthal, "The Spirit of Entrepreneurship and the Qualities of Moral Decision Making: Toward A Unifying Framework," *Journal of Business Ethics* 3, no. 60 (2005), 307–315.

<sup>37</sup> John R. Schermerhorn, *Management*, 11 ed. (Hoboken, New Jersey: John Wiley & Sons, 2010).

<sup>38</sup> A. Buchanan, "The Blackwell Encyclopedic Dictionary of Business Ethics," in *Blackwell Encyclopedia of Management*, ed. Patricia H. Werhane, and R. Edward Freeman (Malden: Blackwell, 1997), 187-191.

<sup>39</sup> M. Velasquez et al., "What is Ethics," website *Santa Clara University*, 1987, retrieved on 20 January 2013, <http://www.scu.edu/ethics/practicing/decision/whatisethics.html>.

<sup>40</sup> Andrew Ghillyer, *Business Ethics: A Real World Approach* (New Jersey: McGraw-Hill/Irwin, 2008).

<sup>41</sup> Sabahuddin Azmi, "An Islamic Approach to Business Ethics," *Renaissance: A Monthly Islamic Journal* 15, no. 5 (May 2005), retrieved on 20 October 2012, <http://www.monthly-renaissance.com/issue/content.aspx?id=169>.

<sup>41</sup> "Ethic", website *Ethics Score Board*.

decades, many discussions of ethics and ethical issues founder on disagreements about definitions. Ethics is unique among disciplines in that practitioners often cannot agree on a common definition of their topics<sup>42</sup>. There is still no clear definite rationale can be deduced to determine whether certain action is 'ethical' or 'unethical'. One possible explanation of this matter is related to the philosophical thinking about the subject itself<sup>43</sup>. Therefore, the meaning of ethics is validated based on the philosophical view.

In Islam, the 'ethics' term is designated to several terms to denote the concept of moral. There are *al-khayr* (goodness), *al-birr* (righteousness), *al-qist* (equity), *al-haq* (truth and right), *al-'adl* (justice), *al-ma'ruf* (known and approved) and *al-taqwā* (piety)<sup>44</sup>. Among all, the most common term that referred to ethics is *akhlāq*<sup>45</sup> which is a state of the soul which causes it to perform its actions without thought or deliberation.<sup>46</sup> The good deed is called *akhlāq mahmudah* while the bad deed is called *akhlāq maḍmumah*.<sup>47</sup>

However, there is an immense problem with definitions as the usage and connotations of terms used in ethics and law are not always clear. The word "ethics" comes from Greek and the way it is often used in English is not exactly what *al-akhlāq* refers to in Arabic, thus the initial Greek term has been translated into English and Arabic with slightly different connotations, challenging cross-cultural dialogue as well as attempts to deal with universal human issues.<sup>48</sup> According to Ramadan, *akhlāq* in Arabic is very often related to the field human behavior, as the ways in which people deal with

---

<sup>42</sup> *Ibid.*

<sup>43</sup> Loy Dean Watley, "Enhancing Moral Intensity: An Informational Model of Ethical Decision Making" (doctoral thesis, The University of Nebraska-Lincoln, 2002), 226.

<sup>44</sup> Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics," 25-43.

<sup>45</sup> Nor 'Azzah Kamri, "Application of Akhlaq Education in Implementing Code of Ethics in an Organization: an Empirical Case," *Jurnal Usuluddin*, no. 29 (2009), 171-185.

<sup>46</sup> Ahmad ibn-Muhammad Miskawayh, *The Refinement of Character: A Translation from Arabic of Ahmad ibn-Muhammad Miskawayh's Tahdhib al-Akhlaq*, trans. Constantine K. Zurayk (Beirut: American University of Beirut, 1968).

<sup>47</sup> Ibn Manzur, *Lisan al-'Arab*, , vol. Juzu' 2 (Beirut: Dar Sadir, 1990).

<sup>48</sup> Tariq Ramadan, "The Challenges and Future of Applied Islamic Ethics Discourse: A Radical Reform?," *Theoretical Medicine and Bioethics* 34, no. 2 (2013), 105-115.

*maṣlahah* (common and public interest)<sup>49</sup>. Thus, the Arabic meaning does not exactly correspond to “ethics” as it is commonly understood in English. Therefore one needs to be extremely precise and very demanding in deciding upon the correct terminology to use for any reform project like a research thesis. Only by considering *al-akhlāq* (ethics), *al-maqāṣid* (the objectives), and *al-aḥkām* (the rules) together will a researcher attain a sense of what the term “ethics” could be<sup>50</sup>.

The word *akhlāq* originated from Arabic word “*al-khulq*” (plural form) which is derived from word *al-khalq*<sup>51</sup>. The physical appearance of a human being is called *khalq* while the power or state that exists in the heart is called habit (*khulq*)<sup>52</sup>. This thesis puts emphasize on the latter form of *akhlāq*. According to Haron Din<sup>53</sup>, the concept of *akhlāq* in Islam is constructed based on three basic aspects of faith (*‘aqīdah*):

1. Belief in the existence of Allah who created this universe and everything in it.
2. Belief in the fact that Allah is the sole creator of human beings and who knows every detail about them.
3. Belief in the hereafter (*ākhirat*) and the eternal life after death.

As it was mentioned earlier, the first determinant of ethics in Islam is Allah the Almighty as He knows everything that humans do even things in their minds. In Islam, it is known as *iḥsān* (benevolence) to Allah. That is the reason why Islam emphasizes on the concept of sincerity as an important determinant in every single action. According to Islam, human beings have not come into existence by on their own and neither are they a product of natural forces that had somehow, by pure chance,

---

<sup>49</sup> *Ibid.*

<sup>50</sup> *Ibid.*

<sup>51</sup> Haron Din, *Islam: Rujukan Efektif Akhlak Mulia* (Kuala Lumpur, Malaysia: PTS Millenia, 2007), 142.

<sup>52</sup> Ali bin Emrullah and Muhammed Hadimi, *Ethics of Islam*, 3rd ed., vol. 17, Waqf Ikhlas Publication Series (Istanbul, Turkey: Hakikat Kitabevi, 2001), 182.; Haron Din, *Islam: Rujukan Efektif Akhlak Mulia*, 142.

<sup>53</sup> Haron Din, *Islam: Rujukan Efektif Akhlak Mulia*, 142.

combined to produce life. On the contrary, human beings are the creation of Allah SWT the Most Merciful Creator<sup>54</sup>.

According to Miskawayh<sup>55</sup> the word *insan* (human beings) is a derivative of *uns* (natural affection) in Arabic which indicates the value of man in Islam.<sup>56</sup> However, one should remember that this affection in human is a quality which can be developed through several mechanisms including political enforcement, rules and regulation, motivation and training as well as co-operation with his counterparts. Allah provides human life, intellect, freedom and authority to choose between good and bad, to do or indulge into evil. Indeed, all these are assets given to test how human thankful to Allah. In the Quran, Allah has presented this knowledge of the human soul as an evidence of the fact that soon, human shall indeed face separate consequences of his good and bad deeds.<sup>57</sup> Allah in the Quran says:

وَنَفْسٍ وَمَا سَوَّيْنَاهَا ۖ فَأَلْهَمَهَا فُجُورَهَا وَتَقْوَاهَا ۚ قَدْ أَفْلَحَ مَن زَكَّاهَا ۝  
وَقَدْ خَابَ مَن دَسَّاهَا ۝

Al-Shams 91:7-10

Translation: And the soul and Him Who made it perfect, Then He inspired it to understand what is right and wrong for it; He will indeed be successful who purifies it, And he will indeed fail who corrupts it.

Ethics of Islam is divided into three categories, first is the knowledge of ethics (*'ilm al-akhlāq*), which deals with invariable personal behavior, which is good or bad, depending not on whether a person is alone or with others, but on his/her character. For example, a person who has a gentle nature, or who is generous, or who has a sense of shame, is so he/she is alone as well as when he/she is with others. The knowledge of ethics teaches us these personal traits which never change. The second category of

---

<sup>54</sup> *Ibid.*

<sup>55</sup> Ahmad ibn-Muhammad Miskawayh, *The Refinement of Character*. 165

<sup>56</sup> M. Abdul Haq Ansari, *The Ethical Philosophy of Miskawaih*, vol. 15, Aligarh Muslim University, Faculty of Arts Publication Series (Uttar Pradesh, India: Aligarh Muslim University., 1964), 200.

<sup>57</sup> Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics," 25-43.

ethics is the manners of family management (*tadbīr al-manzil*). It deals with one's behavior towards his/her family members in his home. The third category of knowledge of ethics is called *siyāsah al-madīnah* or social manners. It teaches a person about social responsibilities, codifies behavioral principles, and instructs on how to be useful to others.<sup>58</sup>

In contemporary understanding, ethics is a moral or good deed (*'amal ṣāliḥ*) that is visible and judge-able. Pious actions are referred to *ṣāliḥat* and impious or sinful actions are termed *sayyi'at*. In Islam, ethics is a reflection of good values whether in behavior, action, thinking or even heart. Indeed, ethics must be a good attitude, behavior, and discipline in any spheres of human living whether it can be seen or not by people. Among the positive deeds stressed by Islam are trustworthiness and justice when performing job functions. Allah mentioned in the Quran:

كُنْتُمْ خَيْرَ أُمَّةٍ أُخْرِجَتْ لِلنَّاسِ تَأْمُرُونَ بِالْمَعْرُوفِ وَتَنْهَوْنَ عَنِ الْمُنْكَرِ  
وَتُؤْمِنُونَ بِاللَّهِ ...

Āli 'Imrān, 3: 110

Translation: You are the best of peoples evolved for mankind enjoining what is right, forbidding what is wrong and believing in Allah;...

In general, the issues of Islamic ethics (*akhlāq*) are circling around the concept of *khayr* (goodness). According to Haron Din<sup>59</sup>, all thinkers and philosopher of ethics agreed that *khayr* is the main value for all ethical practices. It is the value (*al-qīmah*) that judge whether an action is right or wrong, good or bad. The importance of *khayr* is reflected in many Quranic verses. It occurs not fewer than 170 times in the Quran<sup>60</sup>. In addition, Allah SWT describes people who attain felicity are those who inviting to all that is good

<sup>58</sup> Ali bin Emrullah and Muhammed Hadimi, *Ethics of Islam*, 182.

<sup>59</sup> Haron Din, *Islam: Rujukan Efektif Akhlak Mulia*, 142.

<sup>60</sup> For example in: QS. Āli 'Imrān 104, QS. Al-Baqarah 148 and 269, QS. Al-Ḥajj 77, QS. Al-Anbiyā' 73 and 90, QS. Al-Muzammil 20, QS. Al-Kahfi 46, QS. Al-Shūra 36, QS. Al-Mukminūn 55-61, QS. Al-Zalzalah 7-8, QS. Al-Mulk 2, QS. Al-'Asr 1-3, etc.

(*khayr*), enjoining what is right (*ma'rūf*) and forbidding what is wrong (*mūnkar*) as it is mentioned below:

وَلْتَكُنْ مِنْكُمْ أُمَّةٌ يَدْعُونَ إِلَى الْخَيْرِ وَيَأْمُرُونَ بِالْمَعْرُوفِ وَيَنْهَوْنَ عَنِ  
الْمُنْكَرِ وَأُولَئِكَ هُمُ الْمُفْلِحُونَ ﴿١٠٤﴾

Ali 'Imrān 3:104

Translation: Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong; they are the ones to attain felicity.

Within the framework of Islamic ethics, not only good deeds is considered ethical in Islam, having good intention is also considered as ethical. As narrated by Umar ibn al-Khattab r.a., the Prophet (s.a.w.) stated,

إنما الأعمال بالنيّات، وإنما لكل امرئ ما نوى،...

Translation: The reward of deeds depends upon the intentions and every person will get the reward according to what he has intended...<sup>61</sup>

According to this hadith, one is rewarded for his deeds according to his real intention and not according to his actual deeds which might be good in themselves but were motivated by an ill intention<sup>62</sup>. Thus, unlawful works that result in accumulation of wealth—such as gambling, prostitution, drug trafficking, deceiving, extortion, hoarding, monopoly—are condemned. Those who engage in those works are looked upon with contempt<sup>63</sup>. Islam places great emphasis on the code of lawful (*ḥalāl*) and unlawful (*ḥarām*) in business transactions. Many Quranic verses disapprove the wrongful taking of the property such as in:

<sup>61</sup> Hadith narrated by al-Bukhārī, *The Book of Revelation (Kitāb Waḥyū)*, Chapter 1 How the Divine Revelation Started to be Revealed to Allah's Messenger, hadith no. 1. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Saḥīḥ al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 2 and 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 45.

<sup>62</sup> Commentary of the *Saḥīḥ al-Bukhārī* page 45. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Saḥīḥ al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 2 and 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 45.

<sup>63</sup> Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic," 5-19.

وَلَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ وَتُدْلُوا بِهَا إِلَى الْحُكَّامِ لِتَأْكُلُوا  
فَرِيقًا مِّنْ أَمْوَالِ النَّاسِ بِالْإِثْمِ وَأَنْتُمْ تَعْلَمُونَ ﴿١٨٨﴾

Al-Baqarah 2:188

Translation: Do not devour one another's property wrongfully, nor throw it before the judges in order to devour a portion of other's property sinfully and knowingly.

As mentioned earlier, Islamic ethics put obedience to Allah as the root of any other values in human actions so that it is considered as worship (*'ibādah*) to Allah, as stated in the Quran:

وَمَا خَلَقْتُ الْجِنَّ وَالْإِنْسَ إِلَّا لِيَعْبُدُونِ ﴿٥٦﴾

Al-Dhariyāt 51:56

Translation: And I did not create the jinn and mankind except to worship Me.

The words 'except to worship Me' is for Muslims to give full obedience to Allah and from this point, Muslims learn about obedience, loyalty, responsibility and commitment. These values are among the important in today's modern work ethics. And this command of Allah also shows that He knows better about human capability to be the best ethical mankind on earth as Allah mentioned in the Quran:

لَقَدْ خَلَقْنَا الْإِنْسَانَ فِي أَحْسَنِ تَقْوِيمٍ ﴿١﴾

Al-Tīn 95:4

Translation: We have certainly created man in the best of stature.

And in:

ثُمَّ سَوَّاهُ وَنَفَخَ فِيهِ مِن رُّوحِهِ ۖ وَجَعَلَ لَكُمُ السَّمْعَ وَالْأَبْصَرَ وَالْأَفْئِدَةَ ۚ  
قَلِيلًا مَّا تَشْكُرُونَ ﴿٩﴾

Al-Sajdah 32:9



Translation: Then He proportioned him and breathed into him from His [created] soul and made for you hearing and vision and hearts; little is it that you give thanks.

Also:

إِنَّا عَرَضْنَا الْأَمَانَةَ عَلَى السَّمَوَاتِ وَالْأَرْضِ وَالْجِبَالِ فَأَبَيْنَ أَنْ يَحْمِلْنَهَا وَأَشْفَقْنَ مِنْهَا وَحَمَلَهَا الْإِنْسَانُ إِنَّهُ كَانَ ظَلُومًا جَهُولًا ﴿٧٢﴾

Al-Ahzab 33:72

Translation: Indeed, we offered the Trust to the heavens and the earth and the mountains, and they declined to bear it and feared it; but man [undertook to] bear it.

Within that spirit, what constitutes ethical behavior in Islam is what is permissible for a person to act either according to his culture or personal values. The act must not differ from the basic principles laid under the teaching of Quran and Hadith. Ethics in Islam cannot just be ascertained through human thinking or mentality or traditions. It must be in conformity with the Holy Quran and the teaching of Prophet Muhammad s.a.w. The meaning of conformity with Quran and Hadith, however, does not mean that one should limit his or her actions to what is directly mentioned in both sources only. For example, the ethics of being sincere, modesty, just, responsive and tolerant. These are some of the values that Allah mentioned in the Holy Quran. Nonetheless, there are thousands other values that are not stated specifically in the Quran such as creative, innovative, inventive, and so forth which are conform with the spirit of Islam. ‘Conformity’ means actions and attitudes that adhere with the spirit of Islam. Therefore, any values, attitudes, behavior and action that are in conformity with the spirit and basic principle of Islam are encouraged, permissible and even in some situations is a must to every Muslim<sup>64</sup>.

In the context of work culture in an organization, every worker must be aware that a position that he holds is decided by him. Once he accepts the responsibility, he has to be aware that he has accepted a religious obligation as well. Hence, any worker must

---

<sup>64</sup> Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics," 25-43.

perform his job honestly, sincerely, truthfully, and gratefully. In fact, the individual must perform his job in equivalent to the pay he receives, and avoid from committing any indecent conduct, such as by failing to be grateful, taking part in causing spats between co-workers, or spreading lies among co-workers. This in accordance with the Prophet's (s.a.w.) which said:

خيرُ الناسِ أنفعُهُم للناسِ

Translation: The best people are those who most benefit to fellow human beings<sup>65</sup>.

This matches Allah's command to the believers in the Quran:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا اجْتَنِبُوا كَثِيرًا مِّنَ الظَّنِّ إِنَّ بَعْضَ الظَّنِّ إِثْمٌ وَلَا تَجَسَّسُوا وَلَا يَغْتَب بَّعْضُكُم بَعْضًا

Al-Hujurāt 49: 12

Translation: O you, who has believed, avoids much [negative] assumption. Indeed, some assumption is sin. And do not spy and seek the sins of others or speak ill of each other behind their.

Work ethic in Islam emphasizes the necessity of justice and generosity in the workplace in order to achieve society's welfare. In regard to this matter, the Quran states:

لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ

Al-Nisa' 4:29

Translation: Do not consume one another's wealth unjustly but only [in lawful] business by mutual consent.

In fact, Islam has its own system and discipline to maintain the well-being of human attitudes i.e. actions through its law. The Islamic law provides five categories of Muslim

<sup>65</sup> Hadith narrated by al-Ṭabranī, vol. 6, hadith no. 5787. According to Nasruddin al-Albani, the quality of this hadith is *ḥasan*. See: Abu al-Qasim Sulaiman bin Ahmad al-Ṭabranī, *al-Mu'jam al-Ausath*, ed. Abu Mu'az and Abu al-Fadh (Kairo: Dar al-Haramain, 1995), 58.

actions: first, act that obligatory and compulsory to all Muslims (that has fulfilled certain requirement) named '*fard/wājib*.' Those who obey and perform duty will gain reward or if not punishment will be imposed accordingly. This category includes all the five pillars of Islam. Second, act that is optional of whether to do or not but it is highly recommended named '*mandūb/mustaḥab*' and will get rewards from Allah. Third, act that is not prohibited but not in Allah's favor named '*makrūh*'. Those who do it will not be punished as he is doing the forbidden act but he is likely to gain Allah's anger. Finally, act that is unlawful and prohibited or strictly impermissible named '*ḥarām*'. Those abstain it will be rewarded and those who ignore it will be punished<sup>66</sup>.

This system together with the role of heart is the most equilibrium system to judge Muslim work ethics. The role of heart means the intention and the planning itself, if good and sincere is considered as an ethical behavior even though it has not been done yet or it is done but in a very tiny weight<sup>67</sup>. Everything is visible and countable to Allah as ethical. Allah has said:

يَوْمَئِذٍ يَصْدُرُ النَّاسُ أَشْتَاتًا لِّيُرَوْا أَعْمَلُهُمْ ﴿٦﴾ فَمَنْ يَعْمَلْ مِثْقَالَ ذَرَّةٍ  
خَيْرًا يَرَهُ ﴿٧﴾ وَمَنْ يَعْمَلْ مِثْقَالَ ذَرَّةٍ شَرًّا يَرَهُ ﴿٨﴾

Al-Zalzalah 99:6-8

Translation: That Day, the people will depart separated [into categories] to be shown [the result of] their deeds. So whoever does an atom's weight of good will see it, and whoever does an atom's weight of evil will see it.

In another verse, Allah said:

وَاللَّهُ يَعْلَمُ مَا تَصْنَعُونَ ﴿٤٩﴾

Al-'Ankabut 29:45

Translation: And Allah Knows what you do

<sup>66</sup> Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics," 25-43.

<sup>67</sup> *Ibid.*

The determinants of whether certain action, behavior, attitude and thinking are considered ethical or not in Islamic system are based on:

1. The divine sources, namely Quran and Hadith.
2. The Muslims tradition which is the view from majority Muslim scholars (*ijma'*).
3. The common practices (*al-'adah*) of the society that are good practices and yet do not contradict with the spirit of Islam.
4. The faculty of intellect and the freedom of choice (*ikhtiyār*) which are in accordance to the Islamic spirit and its objectivity.<sup>68</sup>

From the aforementioned description, it can be observed that an Islamic ethics concept is unique. It is beyond the western concept that much relied on the concepts of materialism. According to al-Qudsy<sup>69</sup>, ethics in Islam has several unique factors that can be seen as follow:

- a. The scopes. Ethics is practiced everywhere, not limited to workplaces or place of worship.
- b. The judgment. Judgment on ethics is not only in situation that can be measured or seen by people but in any situation and condition. As the One that measure ethics is Allah SWT.
- c. The source. The source of ethics is coming from the Sovereignty of Allah SWT. Human get the idea on how to develop and implement ethics in their living from their studies and experience after Allah gives His full guidance and motivation.
- d. The rewards. The ethical behavior will get rewards not only in this world but also in the Hereafter.
- e. The punishment. One can escape from being punished in this world, but not from Allah's punishment in the Hereafter.

---

<sup>68</sup> *Ibid.*

<sup>69</sup> *Ibid*

Based on the above explanation, the nature of Islamic ethics can be composited. It integrates both the material and spiritual aspects. It is also a means for self-development and correction that can bring perfection to the belief (*īmān*). Therefore, the Islamic ethics can be defined as the states and actions of the spiritual heart (*qalb*) and soul (*ruh*) and an assimilation of the desire of doing good or evil things based on Islamic sources (e.g Quran and Hadith, *ijma'*, *al-'ādah*, and *ikhtiyār*).

### 2.3.2 The Concept of Work in Islam

Work in Islam distinguishes from other beliefs. Islam views work as an integral part of the worship act. Within this views, every Muslim will envision his work in twofold manner; as a source of financial support and achieving good worldly life (*al-falāḥ fī al-dunyā*), as well as a mean of serving Allah and preparing for the success of afterlife (*al-falāḥ fī al-ākhirah*). More comprehensively, work in Islam is not only to achieve material and human physical pleasure but it is also a form of human engagement and cooperation (*al-ta'āwun*), an act of worship (*al-'ibādah*), an act of kindness towards others (*al-iḥsān*), execution of responsibilities and accountabilities (*al-amānah*), security of self-dignity (*ḥifẓ al-murū'ah*) and as a part of reliance toward God (*al-tawakkal*)<sup>70</sup>. For these number of reasons, Islam recognizes work in the highest regard, to the extent of considering it as articulation one's faith, thus accentuate its vital role in life.

The centrality of work and deed in Islamic thinking is succinctly addressed in the Quran. In many verses, Allah instructs human beings to work in order to achieve a better life. Through the work, human beings can contribute positively to the earth. As such it is the work and commitment that enable people to realize their designed goal as mentioned in the Quran:

---

<sup>70</sup> Bayu Taufiq Possumah, Abdul Ghafar Ismail, and Shahida Shahimi, "Bringing Work Back in Islamic Ethics," *Journal of Business Ethics* 112, no. 2 (January 2013), 257-270.

وَأَنْ لَّيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى ﴿٣٩﴾ وَأَنَّ سَعْيَهُ سَوْفَ يُرَى ﴿٤٠﴾ ثُمَّ يُجْزَاهُ  
الْجِزَاءَ الْأَوْفَى ﴿٤١﴾

Al-Najm 53: 39-41

Translation: And that man can have nothing but what he strives for;  
That (the fruit of) his striving will soon come in sight; Then will he be  
rewarded with a reward complete.

In Islam, work is given special importance to the extent that it is performing tasks in meeting religious demands and is categorized as fulfilling religious obligations, which is considered as an act of worship (*ibādah*)<sup>71</sup>. Instilling noble virtues is closely tied to one's faith towards Allah SWT. Working in Islam is a way of devotion to Allah SWT by stressing on the concept of *tawḥīd*<sup>72</sup>. It emphasizes on religious values as the foundation in performing occupational obligations. Making a job as a deed of worshipping to Allah SWT will develop a strong devotion towards the Creator and uplift the love for life in the eternal hereafter, surpassing the importance towards material and worldly affairs<sup>73</sup>. This regard matches with the command of Allah SWT in the Quran:

يَا أَيُّهَا النَّاسُ اعْبُدُوا رَبَّكُمُ الَّذِي خَلَقَكُمْ وَالَّذِينَ مِنْ قَبْلِكُمْ  
لَعَلَّكُمْ تَتَّقُونَ ﴿٢١﴾

Al-Baqarah 2:21

Translation: O mankind, worship your Lord, who created you and  
those before you, that you may become righteous.

By instilling the love for Allah, one could be prevented from performing indecent acts, or placing importance on high salaries, but what's important is in seeking for the blessing of Allah, as stated in the Quran:

<sup>71</sup> Sharifah Hayaati Syed Ismail and Siti Arni Basir, "Efektif Governan berteraskan Etika Kerja Islam di Malaysia," 5.

<sup>72</sup> Nik Mustaqim Abd Rahman and Ismail Upawi, "Pendidikan Holistik dalam Menangani Permasalahan dalam Isu Pengurusan: Menghadapi Cabaran Abad-21," in *Seminar Ekonomi dan Manajemen Indonesia-Malaysia* (Banda Aceh: Universitas Syiah Kuala, Aceh, 1993).

<sup>73</sup> *Ibid.*

وَتَزَوَّدُوا فَإِنَّ خَيْرَ الزَّادِ التَّقْوَىٰ وَاتَّقُونِ يَا أُولِيَ الْأَلْبَابِ ﴿١٩٧﴾

Al-Baqarah 2:197

Translation: And take a provision (with you) for the journey, but the best provision is *al-taqwā* (piety, righteousness, etc.). So fear Me, O men of understanding!

The main purpose of working in Islam is not to merely meet daily needs, but to obtain the blessings of Allah's. Islam rewards and acknowledges working in which should be performed to praise Allah and to benefit others and society. In the Quran, Allah states that:

وَقُلْ أَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ إِلَىٰ عِلْمِ الْغَيْبِ وَالشَّهَادَةِ فَيُنَبِّئُكُم بِمَا كُنتُمْ تَعْمَلُونَ ﴿١٠٥﴾

Al-Tawbah 9:105

Translation: And say, "Work (righteousness): Soon will Allah observe your work, His Messenger, the Believers: Soon will ye be brought back to the knower of what is hidden and what is open: then will He show you the truth of all that ye did."

Every job granted by Him is a responsibility that must be performed honestly without any hypocrisy<sup>74</sup>. As commanded by Allah SWT in the following Quranic verse:

إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا

Al-Nisā' 4:58

Translation: Indeed, Allah commands that you should render back the trusts to those, to whom they are due;

And the revelation from sūrah al-Ma'idah:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا أَوْفُوا بِالْعُقُودِ

Al-Ma'idah 5:1

<sup>74</sup> Wan Norhasniah Wan Husin, "Work Ethics from the Islamic Perspective in Malaysia," *European Journal of Social Sciences* 29, no. 1 (2012), 51-60.

Translation: O you who believe! Fulfill (your) obligations

Islam is a religion that orders its followers to be part and parcel of a working and productive society<sup>75</sup>. In the Quran Allah SWT says:

...وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ وَاتَّقُوا اللَّهَ...

Al-Ma'idah 5:2

Translation: ...And cooperate in righteousness and piety, but do not cooperate in sin and aggression; and be careful of (your duty to) Allah...

The Prophet Muhammad s.a.w. has asserted four work issues as a complete departure of the thinking<sup>76</sup>: (1) work is the highest form of worshipping Allah, (2) work is not sanctioned if it is not performed to the best ability, (3) work has social dimension and meaning and supposed can provide benefit to peoples, and (4) work—such as trade and active involvement of in business—enables an individual to reach prosperity and a reasonable living standard.

The important of work has been underlined by the Prophet Muhammad s.a.w. and at the same time repudiated the indolence. He used to pray seeking Allah's refuge from laziness or idleness. In Islam, begging—as one of laziness forms—is equated with both parasitism and denial of *ijtihad* which the Prophet (s.a.w.) disapproved of the action<sup>77</sup>.

In a narration from Abdullah bin Umar (r.a), the Prophet has strongly censured it:

ما زال الرجل يسأل الناس حتى يأتي يوم القيامة ليس في وجهه مزعة لحم

---

<sup>75</sup> "The Concept of Work in Islam," website *turntoislam.com*, retrieved on 7 February 2013, <http://www.turntoislam.com/forum/showthread.php?t=66190>.

<sup>76</sup> Nor Nazliyah Binti Zainol, "Islamic Work Ethics, Organizational Culture and Organizational Commitment: A Study of Employees at Majlis Amanah Rakyat" (Master Thesis, Universiti Utara Malaysia, 2009), 84.

<sup>77</sup> Shukri Ahmad, "The Salient Characteristics of the Concept of Work Ethic in the Prophetic Tradition," *Jurnal Pembangunan Sosial*, no. 81-102.



Translation: A man keeps on asking others for something till he comes on the Day of Resurrection having flesh on his face.<sup>78</sup>

The Prophet (s.a.w) himself was a hardworking person even before he was installed as a messenger of Allah. In terms of this, the Prophet said:

إِنَّ اللَّهَ يُحِبُّ إِذَا عَمَلَ أَحَدُكُمْ عَمَلًا أَنْ يَتَّقَنَهُ

Translation: Allah verily likes if one of you do his job thoroughly and proficiently.<sup>79</sup>

Quran impresses on the rightness of working for oneself and avoiding laziness, and emphasizes the relationship between an activity in this world and its result in the hereafter:

فَإِذَا قُضِيَتِ الصَّلَاةُ فَانْتَشِرُوا فِي الْأَرْضِ وَابْتَغُوا مِنْ فَضْلِ اللَّهِ وَاذْكُرُوا  
اللَّهَ كَثِيرًا لَعَلَّكُمْ تُفْلِحُونَ ﴿١٠﴾

Al-Jumu'ah 62:10

Translation: But when the prayer is ended, then disperse abroad in the land and seek of Allah's grace, and remember Allah much, that you may be successful.

Thus, in exhorting Muslims on the importance of work, the Prophet Muhammad made it clear that getting one's sustenance from one's work is one of the praiseworthy acts of worship<sup>80</sup>. In one hadith narrated by Az-Zubair bin al-'Awwam, the Prophet (s.a.w.) has said:

<sup>78</sup> Hadith narrated by al-Bukhārī, *The Book of Zakat (Kitāb al-Zakāh)*, Chapter 52 Whoever asks The People (For Something) so as to Increase His Wealth, hadith no. 1474, and Muslim, *The Book of Zakat*, Chapter 35 It Is Disliked to Beg from People, hadith no. 2396. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 2 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 322 and Abū al-Husayn 'Asākir ad-Dīn Muslim ibn al-Hajjāj ibn Muslim, *Sahih Muslim* (Arabic-English), trans. Nasiruddin al-Khattab, 7 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007), 83.

<sup>79</sup> Hadith narrated by al-Baihaqi, Chapter *al-Amanat Waman Yuhibbu Man Yuaadiha and al-Tawakal billah S.w.t wa al-Taslim Liamri S.w.t. Fi Kulli Syai*, hadith no. 1181 and 4930. Mukhtar Ahmad al-Nadawi classified this hadith as *Dha'if*. See: Abu Bakr Ahmad bin al-Husain al-Baihaqi, *al-Jami'li Syu'abi al-Iman*, (Riyadh, Saudi Arabia: Maktaba al-Rusyd, 2003), 233 and 440.

<sup>80</sup> Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic: An Analysis of Some Salient Points in the Prophetic Tradition," *International Journal of Business and Social Science* 3, no. 20 (Special Issue – October 2012), 116-123.

لأن يأخذ أحدكم أحبالاً فيأخذ حزمة من حطب فيبيع فيكف الله بها وجهه خير له من أن يسأل الناس أعطى أو منع.

Translation: No doubt, one had better take a rope (and cut) and tie a bundle of wood (from the forest) and sell it whereby Allah will keep his face (from the Hell-Fire) rather than ask others who may give him or not.<sup>81</sup>

In relation to that, the Prophet s.a.w. also mentioned about the importance of work by associating with the earthly matters to show the preference that one should choose even if someone sees his end near. The Messenger of Allah said:

إن قامت الساعة وفي يد أحدكم فسيلة فإن استطاع أن لا يقوم حتى يغرسها فليغرسها

Translation: If the hour of the end of the world comes, and in the hand of one of you is seeding, if he can get up to plant it, let him plant it.<sup>82</sup>

Additionally, the Prophet Muhammad explicitly instructed followers that useful work is that which benefits others and society:

أحب الناس إلى الله أنفعهم

Translation: The best of people are those who benefit others.<sup>83</sup>

As mentioned earlier, among many others, work is the best form of worshiping. Allah elevates people and their work to the highest rank if their deeds benefited people. In a hadith narrated by Abu Sa'id, Prophet (s.a.w.) said,

---

<sup>81</sup> Hadith narrated by al-Bukhārī, The Book of Zakat (*Kitāb al-Zakāh*), Chapter 50 To Abstain from Begging, and The Book of Watering (*Kitāb al-Musaqah*), Chapter 13 The Selling of Wood and Grass, hadith no. 1470, 1471, and 2373. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 2 and 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 320, 321 and 322.

<sup>82</sup> Hadith narrated by al-Bukhārī, Chapter 195 Iṣṭisna' al-Mal, hadith no. 371. This hadith is *Sahih* according to Muhammad Nasiruddin al-Albani and Syu'aib al-Arnuth. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Al-Adab al-Mufrid*, (Riyadh, Saudi Arabia: Maktaba al-Dalil, 1413H/1992M), 181.

<sup>83</sup> Hadith narrated by al-Ṭabranī, vol. 6, hadith no. 6026. See: Abu al-Qasim Sulaiman bin Ahmad al-Ṭabranī, *Al-Mu'jam al-Ausath*, eds. Abu Mu'az and Abu al-Fadh (Kairo: Dar al-Haramain, 1995), 139-140.

Translation: The truthful, trustworthy merchant is with the Prophets, the truthful, and the martyrs.<sup>84</sup>

Besides, there are plenty of Hadith from early collections which praise work. In many narrations, the Prophet has urged Muslims to work.<sup>85</sup> In a hadith narrated by Abu Hurairah (r.a.), the Prophet s.a.w. said:

لأن يحتطب أحدكم حزمة على ظهره خير من أن يسأل أحدا فيعطيه أو يمنعه.

Translation: No doubt, it is better for anyone of you to cut a bundle of wood and carry it over his back rather than to ask somebody who may or may not give him.<sup>86</sup>

Also, the importance of work is recorded in his traditions by showing the example how the Prophet s.a.w. turned a man who came to him begging into a productive member of the society by teaching the man how to work and provide for himself<sup>87</sup>, as it is mentioned in the following hadith:

عَنْ أَنَسِ بْنِ مَالِكٍ أَنَّ رَجُلًا مِنَ الْأَنْصَارِ أَتَى النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَسْأَلُهُ فَقَالَ أَمَا فِي بَيْتِكَ شَيْءٌ قَالَ بَلَى جِلْسٌ نَلْبَسُ بَعْضُهُ وَنَبْسُطُ بَعْضُهُ وَقَعْبٌ نَشْرَبُ فِيهِ مِنَ الْمَاءِ قَالَ أَتَيْتَنِي بِهِمَا قَالَ فَأَتَاهُ بِهِمَا فَأَخَذَهُمَا رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ بِيَدِهِ وَقَالَ مَنْ يَشْتَرِي هَذَيْنِ قَالَ رَجُلٌ أَنَا أَخَذَهُمَا بِدِرْهَمَيْنِ فَأَعْطَاهُمَا إِيَّاهُ وَأَخَذَ الدِّرْهَمَيْنِ وَأَعْطَاهُمَا الْأَنْصَارِيَّ وَقَالَ اشْتَرِ بِأَحَدِهِمَا طَعَامًا فَأَنْبِذْهُ إِلَى أَهْلِكَ وَاشْتَرِ بِالْآخَرِ قَلُومًا فَأَتِنِي بِهِ فَأَتَاهُ بِهِ فَشَدَّ فِيهِ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ عُودًا بِيَدِهِ ثُمَّ

<sup>84</sup> Hadith narrated by al-Tirmidhī, Book 12: Business from the Messenger of Allah SWT, Chapter 4: What Has Been Related about Those Who Deal in Trade and What the Prophet Called Them, hadith no. 1209. According al-Tirmidhī himself this Hadith is Ḥasan as he does not know any other chain of Hadith narration except from this route, a narration of al-Tahwīrī from Abū Ḥamzah (who was a Shaikh from Al-Basrah). Hafiz Abu Thahir Zubair 'Alī Za'ī classified this Hadith as Dha'if. See: Abū 'Isā Muḥammad ibn 'Isā as-Sulamī aḍ-Ḍarīr al-Būghī al-Tirmidhī, *Jāmi' at-Tirmidhī* (Arabic-English), trans. Abu Khaliyl, 6 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007), 24.

<sup>85</sup> Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic," 116-123.

<sup>86</sup> Hadith narrated by al-Bukhārī, The Book of Sales (Bargains), Chapter 15 The Earning of a Person and His Manual Labor, hadith no. 2074. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 169.

<sup>87</sup> Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic," 116-123.

قَالَ لَهُ أَذْهَبَ فَاحْتَطِبَ وَبِعَ وَلَا أَرَيْتَكَ خَمْسَةَ عَشَرَ يَوْمًا فَلَذَهَبَ الرَّجُلُ يَحْتَطِبُ وَيَبِيعُ فَجَاءَ وَقَدْ أَصَابَ عَشْرَةَ دِرْهَمٍ فَاشْتَرَى بِبَعْضِهَا ثَوْبًا وَبِغُضِّهَا طَعَامًا فَقَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ هَذَا خَيْرٌ لَكَ مِنْ أَنْ تَبْجِيَءَ الْمَسْأَلَةَ نُكْتَةً فِي وَجْهِكَ يَوْمَ الْقِيَامَةِ إِنَّ الْمَسْأَلَةَ لَا تَنْصُلِحُ إِلَّا لِثَلَاثَةٍ لِيَدِي فَقْرٍ مُلْقِعٍ أَوْ لِيَدِي غُرْمٍ مُفْطِعٍ أَوْ لِيَدِي دَمٍ مُوجِعٍ

Translation: Anas (r.a.) said that when a man of the Ansar came to Prophet Muhammad s.a.w. and begged from him, he asked him whether he had nothing in his house. When he said that he had a piece of cloth, which he used for wearing as well as for spreading on the ground, and a wooden bowl from which he drank water, he told him to bring them to him, and when he did so he took them in his hand and asked, "Who will buy these?" When a man offered a dirham he asked twice or thrice. "Who will offer more than a dirham?" and he gave them to a man who offered two dirhams. He then took the two dirhams and giving them to the Ansari he said, "Buy food with one of them and hand it to your family, and buy an axe with the other and bring it to me." When he bought it, Allah's Prophetic Messenger fixed a handle on it with his own hand and said, "Go gather firewood and sell it, and don't let me see you for a fortnight." The man went away and gathered firewood and sold it. When he had earned ten dirhams he came to him and bought a garment with some of them and food with others. Then Allah's Prophetic Messenger said, "This is better for you than that begging should come as a spot on your face on the Day of Resurrection. Begging is right for only three people: one who is in grinding poverty, one who is seriously in debt, or one who is responsible for blood-wit he finds it difficult to pay."<sup>88</sup>

The Prophet Muhammad instructed all Muslims to strike a balance between worship and work. Therefore, in as much as Muslims have to be constant in their acts of worship, they also have to work hard to earn a living and to meet one's responsibilities, as it is recorded in one of the sayings of the scholars: "Work hard (for earning a living and survival) as if you are going to die"<sup>89</sup>. Further, the Prophet s.a.w. set an example from Prophet Dāwūd (a.s.) in emphasizing on the value of hardworking as describes in the hadith narrated by al-Miqdām (r.a.):

<sup>88</sup> Hadith narrated by Abu Dawud, vol. 4, Book of Zakat (*Kitab al-Zakāh*), Chapter 26 When Is It Allowed to Beg, Hadith No. 1641, and al-Nasa'i, vol 5, Book of Financial Transaction (*Kitab Al-Buyu'*), Chapter 22 Selling by Auction, hadith No. 4512. This hadith is *Hasan* according to Hafiz Abu Tahir Zubair 'Ali Za'i. See: Abu Dawud Sulaymān ibn al-Ash'ath, *Sunan Abu Dawud* (Arabic-English), trans. Nasiruddin al-Khattab, 5 vols. (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2008), 291 and Abu Abdurrahman Ahmad bin Su'aib 'Ali al-Nasai, *Sunan al-Nasai* (Arabic-English), trans. Nasiruddin al-Khattab, 6 vols. (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007), 227.

<sup>89</sup> Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic," 116-123.

... وإن نبي الله داود عليه السلام كان يأكل من عمل يده.

Translation: ...And verily the Prophet of Allah, Dāwud, ate his victuals from his own earnings.<sup>90</sup>

The meaning of the Prophet's saying is obvious. Those Hadiths reveal that working hard and earning bread through honest means is equivalent to jihad. It is also an equal to the defense of an Islamic state and the word *shahādah*. Once a man promised himself that he would work hard, he does not only ensure the fullest use of his conscious experience but also thanks Allah for the gift of brew and mind and all that is in this world and hereafter. The matter of gaining a livelihood is closely associated with wealth and poverty<sup>91</sup>.

Likewise, the injunction to eat from the gains of one's own hand (work) was put into practice by many pious Muslim, and it appears as a praiseworthy quality in biographies<sup>92</sup>. Imam Shafi'i, for instance, viewed that there is nothing wrong with striving to gain one's livelihood. He offered a trenchant advice: "Seek eagerly after that which is useful to you and never mind what people say, for there is no way to be free from the tongues of people"<sup>93</sup>.

Additionally, Imam al-Ghazali<sup>94</sup>, mentioned in his book *Ihya' 'Ulum Al-Dīn* that Prophet 'Īsa (a.s.) once saw a man who had completely devoted himself to worship. When the Prophet asked him how he got his daily bread, the man replied that his brother, who worked, provided him with food. 'Īsa then told him, "That brother of yours is more

---

<sup>90</sup> Hadith narrated by al-Bukhārī, Book of Sales (Bargains), Chapter 15 The Earning of a Person and His Manual Labor, Hadith no. 2072. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 168.

<sup>91</sup> Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic," 116-123.

<sup>92</sup> Shukri Ahmad, "The Salient Characteristics," 81-102.

<sup>93</sup> Muhammad bin A.W. al-'Aqil, *Manhaj 'Aqidah Imam asy-Syafi'i*, trans. Nabhani Idris, and Saefudin Zuhri (Jakarta: Pustaka Imam Asy-Syafi'i), 660.

<sup>94</sup> Abu Hamid al-Ghazali, *Ihyā' 'Ulūm al-Dīn* [Revival of Religious Learnings], trans. Fazl-ul-Karim, 1<sup>st</sup> ed., 4 vols. (Karachi, Pakistan: Darul Ishaat, 1993).

religious than you are”. Al-Ghazali also mentioned that the Prophet’s Companion ‘Umar ibn al-Khattab, who used to stress this point further by telling people, “Never should anyone of you think that *du‘a* for sustenance without work will avail him, for heaven never rains gold nor silver”.<sup>95</sup>

Moreover, one of the scholars of Islam, Imam Hasan al-Basri<sup>96</sup>, was asked one day the secret behind his asceticism. The Imam mentioned four things in reply:

“One, I believe that my sustenance will never be hijacked by anybody (so I work to attain it). Two, I know that a work that is mine must be performed by me, so I do not decrease my efforts in performing it. Three, I believe that my Lord is Omnipresent (watching me), so I do not like Him seeing me committing sins. Four, I know that death is somewhere waiting for me, so I prepare for it (through good deeds)”.

Thus, the aforementioned facts provide evidence that Islam has offered unique perspectives on work. Indeed, the positive meaning that was attached to work was at that time a novel development and arguably is in tune with today’s contemporary thinking. For example, Ibn Khaldun<sup>97</sup>, the medieval Islamic scholar, argued that engaging in business serves four objectives: (1) facilitating cooperation and mutual understanding among people, (2) satisfying the needs of people, (3) increasing wealth and influence, and (4) spurning the growth of cities.

Previously, the *Ikhwan-us-Safa* (Brethren of Purity)<sup>98</sup> who rose in the tenth century have used terms corresponding to contemporary categorization of management and organizational behavior in describing the centrality and meaning of work.<sup>99</sup> They

---

<sup>95</sup> *Ibid.*

<sup>96</sup> Cited in: Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic," 5-19.

<sup>97</sup> Abd al-Rahman Ibn Khaldun, *The Muqaddimah* (Princeton, NJ: Princeton University Press, 2004), 273.

<sup>98</sup> The *Ikhwan-us-Safa* or Brethren of Purity is a pseudonym assumed by a group of Muslim thinkers who, in the late ninth and early tenth centuries, produced an encyclopedic corpus of 52 epistles (*rasa'il*) on a wide array of subjects ranging from cosmology to physical sciences, ethics to aesthetics, and revelation to metaphysics.

<sup>99</sup> Ikhwan-us-Safa, *Letter of Ikhwan-us-Safa*, trans. John Dowson, vol. 1 (London: Trubner & Co., 1869), 104.

indicated that engagement in trade and manufacturing served physical, psychological, social and spiritual purposes. Specifically, they identified the following reasons for pursuing business activities: (1) alleviation of poverty, (2) motivating people to be persistent and engaging creatively in an appropriate profession, (3) complementing the human soul with verified knowledge, (4) good manners, (5) useful ideas and responsible deeds, and (6) reaching salvation. *Ikhwan-us-Safa* not only stressed that the benefits from work differed across industry and profession but also offered a strong rationale for treating any type of work as an honorable task and the perfection of work as the most blessed action by Allah.

The aforementioned literature shows the concept of work in Islam and its significant position in Muslim daily life. It is part of worshipping Allah (*'ibādah*) and should be performed with the intention to praise Allah alone. The benefit of work in Islam is not only gained in this world (*dunyā*), but also to be rewarded in the hereafter (*ākhirat*). As mentioned above, the main objective of work in Islam is worshipping Allah. Thus, every deed those human conducts is to praise Allah as it could avoid people from performing indecent acts. Therefore, all works must be performed in the basic of *tawhīd* concept. In addition, work in Islam has social dimension as it enables human to spread positive contributions on the earth that can benefit society. Also, work in Islam allows each individual Muslim to gain prosperity and keep him/her from poverty.

Additionally, it implies that work is a virtue in light of a person's needs, and is a necessity for establishing equilibrium in one's individual and social life.<sup>100</sup> This, among many ways, can be achieved by the distribution of wealth through obligation of paying zakat and encouragement of *ṣadaqah*. Islam demands a certain type of behavior from the economic agents – the consumers and the producers. An Islamic market is

---

<sup>100</sup> Seyyed Hossein Nasr, "Islamic Work Ethic," *Hamdard Islamicus* 7, no. 4 (1984), 25-35.

characterized by certain norms that take care of the interests of both the buyer and the seller. There are number of rules of ethical discipline in Islamic commercial transactions without which business contract would be regarded as lacking perfection in the light of the code of good manners, decency and ethical excellence.<sup>101</sup>

Further, in Islam having intention is very important in all human deeds. As mentioned earlier, the Prophet s.a.w. said that all deeds (works) depend on the intention and people will be credited according to whatever they intend to do. For instance, by having a good job, a person intends to get a good salary at the end of period. If his/her reason is to feed his/her family, then he/she will get reward from Allah SWT as mentioned by Prophet Muhammad s.a.w. that “feeding your family is a charity” and “that if you do this you will be rewarded.” Thus, from the above facts, it can be concluded that work in Islam is performing the positive things that contribute positively to society and oneself with the intention to please Allah SWT. Thus, referring to the above definitions of Islamic concept of ethics and work, the IWE can be defined as performing positive actions with good intentions as the matter of getting bless from Allah SWT to benefit both oneself and society.

## **2.4 The Principles of IWE**

The discussion on ethical behavior in Islam is much concerned with the concept of work (*al-‘amal*) as the main element of human activities in this world. Thus, to determine the efficacy of this element and systematize it in a coherent framework, it is important to first establish the foundational elements. This foundation will form the basis of the conceptual framework of IWE that will address not only the nature of the elements of work ethics but also the rationale behind them.

---

<sup>101</sup> Wan Norhasniah Wan Husin, "Work Ethics from the Islamic Perspective in Malaysia," 51-60.



The Islamic view of life processes is unique not for its predominant emphasis on ethical norms but also due to it being 'complete'. In addition, since this view is internally consistent, it can form the basis of scientific generalizations about an Islamic economy. However, to turn it into an operational tool of scientific analysis, an ethical philosophy must be reduced to a set of principles which can then serve as a point of departure for making logical deductions with respect to valid rules of social and economic behavior according to Islamic precepts<sup>102</sup>.

Various studies have been conducted in exploring the Islamic ethical principles based on the Quran and Hadith. Naqvi<sup>103</sup>, for instance, presented four principle of ethical in Islam, namely *tawḥīd* (unity of God), '*adl* (justice or equilibrium), *ikhtiyār* (free will or freedom), and *farḍ* (responsibility or obligation). This view was supported by Mohammed<sup>104</sup> despite criticized the clarity and content of each axiom, particularly on the issues related to social responsibility and justice.

Meanwhile, Beekun<sup>105</sup> divided the Islamic ethical principle into five axioms, which were unity (*tawḥīd*), equilibrium ('*adl*), free will (*ikhtiyār*), responsibility (*farḍ*), and benevolence (*iḥsān*). Further, Dusuki<sup>106</sup> asserted two ethical principle in Islam, *khilāfah* (vicegerent) and *taqwā* (piety). Differently, in a Corporate Social Responsibility (CSR) study Yusuf<sup>107</sup> concluded that the ethical principle of Islam consist of unity (*tawḥīd*), vicegerent (*khilāfah*), equilibrium ('*adl*), fraternity (*ukhuwwah*), and the creation of goodness (*maṣlaḥah*).

---

<sup>102</sup> Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam" (Doctoral Thesis, Auckland University of Technology, 2007).

<sup>103</sup> Syed Nawab Haider Naqvi, *Ethics and Economics: An Islamic Synthesis* (Leicester, UK: Islamic Foundation, 1981), 176.

<sup>104</sup> Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam."

<sup>105</sup> Rafik Issa Beekun, *Islamic Business Ethics*.

<sup>106</sup> Asyraf Wajdi Dusuki and Humayon Dar, "Stakeholders' Perceptions of Corporate Social Responsibility of Islamic Banks: Evidence from Malaysian Economy" (paper presented at the International Conference on Islamic Economics and Finance, Jeddah, 2007), 389-417.

<sup>107</sup> Muhammad Yasir Yusuf, "Tanggung Jawab Sosial Korporat pada Institusi Perbankan Islam di Aceh: Analisis Kriteria dan Persepsi" (Doctoral Thesis, Universiti Sains Malaysia, 2012), 471.

Based on the rich literatures previously mentioned, this thesis concluded that there are five principles that are applicable for the concept of work ethic in Islam, namely *tawhīd*, *khilāfah*, *‘adl*, *ikhtiyār* and *farq*. Other axioms such as *ihsān*, *taqwā*, *ukhuwwah*, and *maṣlaḥah* in researcher point of view are not the principle of IWE. The axioms of *ihsān* and *taqwā*, for instance, are the effect that escalates when the principle of *tawhīd*, *khilāfah*, and *‘adl* were implemented properly in human’s regular activities. Meanwhile, the axioms of *ukhuwwah* and *maṣlaḥah* are included among the objectives of work in Islam. Thus, they are not stand-alone principles.

#### 2.4.1 The Principle of *Tawhīd*

In Islamic philosophical view, the concept of ethics is based upon a very simple but concrete philosophy, *tawhīd*; which means that Allah is the sole creator of universe and everything in it<sup>108</sup>. Allah SWT asked all people to worship only Him as stated in the Quran:

...إِنِ الْحُكْمُ إِلَّا لِلَّهِ أَمَرَ أَلَّا تَعْبُدُوا إِلَّا إِيَّاهُ ذَلِكَ الدِّينُ الْقَيِّمُ وَلَكِنَّ أَكْثَرَ النَّاسِ لَا يَعْلَمُونَ ﴿١٣٠﴾

Yusuf 12:40

Translation: ...He has commanded that you shall not serve aught but Him; this is the right religion but most people do not know:

The core of faith (*īmān*) in Islam is the belief that there is no God but Allah to be served. Thus, all aspects of human’s activities including economic, political, social and culture are aimed to praise Allah alone as the ultimate goal.

قُلْ إِنَّ صَلَاتِي وَنُسُكِي وَمَحْيَايَ وَمَمَاتِي لِلَّهِ رَبِّ الْعَالَمِينَ ﴿١٦٢﴾ لَا شَرِيكَ لَهُ وَبِذَلِكَ أُمِرْتُ وَأَنَا أَوَّلُ الْمُسْلِمِينَ ﴿١٦٣﴾

Al-An’am 6:162-163

<sup>108</sup> Rana Zamin Abbas et al., "Managerial Ethics in Islamic Framework," *International Journal of Business and Social Science* 3, no. 7 (April 2012), 101-115.

Translation: Say. Surely my prayer and my sacrifice and my life and my death are (all) for Allah, the Lord of the worlds; No associate has He; and this am I commanded, and I am the first of those who submit.

In a deeper sense, the concept of *tawḥīd* constitutes the vertical dimension of Islam. It integrates the political, economic, social and religious aspects of human's life into a homogenous whole, which is consistent from within as well as integrated with the vast universe without. Within the compass of one immaculate, divinely revealed vision, *tawḥīd* shows the inter-relatedness of all exists. The relationship between the Creator and the creatures is based this concepts. Allah SWT has put mankind at the helm of everything He created<sup>109</sup>.

The submission and obedience to Allah SWT provides basis for practicing the good teaching. While Islam teaches good morals and ethical values, but enforcements of these good morals are not through oppressive institutions. Rather, they are achieved through elevating individual's state of *taqwā* (piety) and *iḥsān* (benevolence).<sup>110</sup> The belief in Allah creates conscience (the sense of right and wrong). In order to understand the concept of right and wrong, people need certain level of knowledge so that it will automatically lead to the implementation of high ethical values.

#### **2.4.2 The Principle of *Khilāfah***

The principle of *khilāfah* (trusteeship or vicegerent) has a close tie with the principle of *tawḥīd*. This principle explains that human is only the bearer of *amānah* (trust) of Allah SWT in this world, and for which they are allowed to utilizes all resources in favorable of human beings. Allah mentioned in the Quran that human existence is the result of the divine-plan of Allah SWT, based on which man is delegated to manage and improve live on earth (*ta'mir*) according to the divine laws (*waḥy*) of Allah SWT:

---

<sup>109</sup> Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam."

<sup>110</sup> Mohammad Razi, "Pillars of Islam & Islamic Ethics: Relationship between Pillars of Islam & Development of Excellent Moral & Character" (Paper, Toronto, Canada, May 2008), 34..

وَإِذْ قَالَ رَبُّكَ لِلْمَلٰٓئِكَةِ إِنِّي جَاعِلٌ فِي الْأَرْضِ خَلِيفَةً ۖ قَالُوا أَتَجْعَلُ فِيهَا مَن  
يُفْسِدُ فِيهَا وَيَسْفِكُ الدِّمَآءَ وَنَحْنُ نُسَبِّحُ بِحَمْدِكَ وَنُقَدِّسُ لَكَ ۖ قَالَ إِنِّي  
أَعْلَمُ مَا لَا تَعْلَمُونَ ﴿٣٠﴾

Al-Baqarah 2:30

Translation: And when your Lord said to the angels, I am going to place in the earth a *khalīfah*, they said: What! wilt Thou place in it such as shall make mischief in it and shed blood, and we celebrate Thy praise and extol Thy holiness? He said: Surely I know what you do not know.

Accordingly, human occupies the central place in the universe. He is not just one element in the vast expanse of God' creation but provides the most important reason for their existence. The Quran stated:

أَلَمْ تَرَوْا أَنَّ اللَّهَ سَخَّرَ لَكُم مَّا فِي السَّمٰوٰتِ وَمَا فِي الْأَرْضِ...

Luqman 31:20

Translation: Do you not see that Allah has made what is in the heavens and what is in the earth subservient to you...

Although Allah's creation is independent of man, He has given man the faculty to subdue the forces of nature and to penetrate through high mysteries with his powers of reason and insight. However, this is not merely a question of power. For in His universal plan, all are safeguarded. The destiny of humankind is noble to the highest degree of being responsible towards others. It is this purpose, which gives meaning and significance to the existence of the universe.

As a *khilāfah* (vicegerent) whose duty is *ta'mir* (improvement of life), man is inaugurated to be the steward and guardian, who will manage human and natural resources, to improve life and make earth inhabitable place. Thus, the expectation of a faithful businessperson will be to act in accordance to the commandments of Allah SWT.

### 2.4.3 The Principle of *Al-‘Adl*

Similarly, the principle of *al-‘adl* (equilibrium) corresponds to the principle of *tawhīd*. In addition to the vertical dimension of the principle of *tawhīd*—which in a deeper sense denotes a balance of forces—*‘adl* principle constitutes the horizontal dimension of Islam. This dimensional characterization of Islam is briefly noted, but in a different context by Schuon<sup>111</sup>. He notes that “it is the aim of Islam to combine the sense of the absolute with the quality of equilibrium<sup>112</sup>.”

At the absolute level, *al-‘adl* is the supreme attribute of Allah SWT. In fact, its denial constitutes a denial of God Himself. It follows that, at the relative level, the quality of *al-‘adl* must also characterize all its creation, which must reflect all His qualities. Accordingly, the Islamic view of life is derived from a divine perception of an all-pervading harmony in the universe:

الَّذِي خَلَقَ سَبْعَ سَمَوَاتٍ طِبَاقًا مَّا تَرَىٰ فِي خَلْقِ الرَّحْمَنِ مِن تَفَوتٍ فَأَرْجِعْ  
الْبَصَرَ هَلْ تَرَىٰ مِن فُطُورٍ ﴿٣﴾ ثُمَّ أَرْجِعْ الْبَصَرَ كَرَّتَيْنِ يَنقَلِبْ إِلَيْكَ الْبَصَرُ  
خَاسِئًا وَهُوَ حَسِيرٌ ﴿٤﴾

Al-Mulk 67:3

Translation: Who created the seven heavens one above another; you see no incongruity in the creation of the Beneficent Allah; then look again, can you see any disorder? Then turn back the eye again and again; your look shall come back to you confused while it is fatigued.

The implication of the above verse is that Allah SWT has created everything impeccably with a balance. All this is possible because Allah SWT is almighty and can perfectly carry out His will and purpose, which are love, mercy and goodness to His creatures. As a *khilāfah* of Allah SWT, human has social responsibility and bears justice

<sup>111</sup> Frithjof Schuon, *The Transcendent Unity of Religion* (Wheaton, IL: Theosophical Publishing House, 1984), 207.; Frithjof Schuon, *Islam and the Perennial Philosophy* (London: World of Islam Festival Publishing, 1976).

<sup>112</sup> Frithjof Schuon, *The Transcendent Unity of Religion*, 207.

in order to maintain equilibrium in the society. Indeed, divine perfection—as reflected in the quality of equilibrium—exists in the very order of the universe that hangs together in a delicate balance and harmony, as the holy Quran stated:

لَا الشَّمْسُ يَنْبَغِي لَهَا أَنْ تُدْرِكَ الْقَمَرَ وَلَا اللَّيْلُ سَابِقُ النَّهَارِ وَكُلٌّ فِي فَلَكٍ  
يَسْبَحُونَ ﴿٤٠﴾

Yāsīn 36:40

Translation: Neither is it allowable to the sun that it should overtake the moon, nor can the night outstrip the day; and all float on in a sphere.

From an Islamic perspective, various elements of life must be equilibrated to produce the best social order:

...وَخَلَقَ كُلَّ شَيْءٍ فَقَدَرَهُ تَقْدِيرًا ﴿٢٥﴾

Al-Furqan 25:2

Translation: ...and Who created everything, then ordained for it a measure.

Also,

إِنَّا كُلَّ شَيْءٍ خَلَقْنَاهُ بِقَدَرٍ ﴿٤٩﴾

Al-Qamar 54:49

Translation: Surely We have created everything according to a measure.

Various other Quranic verses suggest that Allah SWT has created the universe with a balance to maintain equilibrium in nature. Mankind, as the *khalīfah* of Allah SWT on the earth should be conscious of this balance and act accordingly.

In social aspect, the principle of *al-‘adl* is crucial element of an Islamic system, as one cannot conceive a Muslim society where justice does not prevail. Furthermore, it is justice that gives the notion of brotherhood its meaning. Indeed, the role of justice and

the elimination of all forms of injustice have been addressed in the Quran (57:25) as the primary mission of all prophets. Thus, *al-'adl* represents a social idea of the virtues of legal, political and economic institution in Islam. This must be based on the principles of social justice in accordance to the will of Allah SWT.<sup>113</sup>

In an Islamic economic system, the principle of *al-'adl* is also crucial in order to avoid the problem of inequalities being passed from one to the next generation. This, according to Chapra,<sup>114</sup> will lead to the destruction of brotherhood (*ukhuwwah*). It is the general opinion of Muslim scholars that if the social behavior pattern and economy are restructured in accordance with Islamic precepts, there cannot be extreme inequalities of income and wealth in a Muslim society. Thus, maintaining equilibrium in a society is important in restructuring of the economy and behavior. Achieving this objective is necessary to fulfill the implication of *khilāfah* and *al-'adl*.<sup>115</sup>

#### **2.4.4 The Principle of *Ikhtiyār***

*Ikhtiyār* (free will) is the basic element that is existed within any individual. It provides humankind the ability to make choices in situations where there may be opposing issues involved<sup>116</sup>. In Islamic social philosophy, despite only God is absolutely free, but within the limits of His scheme of creation, man is also relatively free. According to Naqvi<sup>117</sup>, the individual's freedoms is 'unrestricted and voluntary', therefore it is possible to make

---

<sup>113</sup> Jawed Akhtar Mohammed, "The Ethical System in Islam – Implications for Business Practices," in *Handbook of the Philosophical Foundations of Business Ethics*, ed. Christoph Luetge (Springer Netherlands, 2013), 873-882.

<sup>114</sup> Muhammed Umer Chapra, *Islam and the Economic Challenge* (Herndon, VA: International Institute of Islamic Thought, 1992).

<sup>115</sup> Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam," (Auckland: Auckland University of Technology, 2007).

<sup>116</sup> Jawed Akhtar Mohammed, "The Ethical System in Islam – Implications for Business Practices," 873-882.

<sup>117</sup> Syed Nawab Haider Naqvi, *Islam, Economics and Society* (London: Kegan Paul International Ltd, 1994), 176.

wrong choices even though it is an individual's best interest to make the right choice.

Holy Quran states that:

قُلْ يَٰٓأَيُّهَا النَّاسُ قَدْ جَاءَكُمُ الْحَقُّ مِن رَّبِّكُمْ فَمَنِ اهْتَدَىٰ فَإِنَّمَا يَهْتَدِي لِنَفْسِهِ ۖ وَمَن ضَلَّ فَإِنَّمَا يَضِلُّ عَلَيْهَا وَمَا أَنَا عَلَيْكُمْ بِوَكِيلٍ ﴿١٠٨﴾

Yunus 10:108

Translation: Say: O people! indeed there has come to you the truth from your Lord, therefore whoever goes aright, he goes aright only for the good of his own soul, and whoever goes astray, he goes astray only to the detriment of it, and I am not a custodian over you.

The individual's freedom can also be reflected by an action that an individual must perform in order to achieve his/her own good as Allah mentions in the Quran:

...إِنَّ اللَّهَ لَا يُغَيِّرُ مَا بِقَوْمٍ حَتَّىٰ يُغَيِّرُوا مَا بِأَنفُسِهِمْ...

Al-Ra'd 13:11

Translation: ...surely Allah does not change the condition of a people until they change their own condition...

Allah SWT created man virtuous and pure and He gave him intelligence, then surrounded him with all sorts of instrument of His grace and mercy. In spite of all this, if man distorts his own will and goes against Allah's will, yet Allah's forgiveness is open to him if he will take it. It is only when he has made his own sight blind and changed his own nature or soul away from the beautiful mold in which Allah SWT formed it, that Allah's wrath will descend on him and the favorable position in which Allah placed him will be changes. Thus, an individual's blessing are conditional upon making the right choice<sup>118</sup>. The ability to make the right choice, according to Naqvi<sup>119</sup>, is man's role as Allah's vicegerent (*khilāfah*) on earth.

<sup>118</sup> Commentary, The Noble Quran: Sahih International English Translation.

<sup>119</sup> Syed Nawab Haider Naqvi, *Ethics and Economics*, 176.



In the implementation of this principle into a business world, it is said that businessmen have the freedom to make a contract and either honor or break it. However, it must be conducted in accordance to the divine commandments. Thus, when dealing in work activities, an individual is required to be fair and avoid cheating into one another<sup>120</sup>. A hadith narration from Abu Hurairah informed that prophet Muhammad s.a.w. once said:

إن الله تعالى يقول: أنا ثالث الشريكين ما لم يخن أحدهما صاحبه، فإذا خا نه خرجت من

بينهم

Translation: Allah, Exalted is He, says: 'I am the third of two partners so long as one of them does not betrays the other; but if he betrays him then I depart from among them'.<sup>121</sup>

Another key focus area is the concept of competition, which in Islam is quite distinct in comparison to the Western style of competition. In Islam, the competition has to be performed in a fair and honest way, thus cutthroat competition that harming each other is strictly prohibited. Although the business is free to choose the way according to the code of ethics in a Muslim society, they are also responsible for the well-being of the consumers as well as the business community<sup>122</sup>. A balance needs to be maintained to foster a congenial environment for the stakeholders both within and outside an organization. Beekun<sup>123</sup> pointed out that although the West claimed to be in favor of market competition, a cursory reading of a key business publication would reveal that businesses are constantly seeking to assert themselves over and eliminate their competitors. This aims to reap the economic return above average through hoarding or monopolistic pricing. Current business practices among giant corporations (such as 'patent wars' between Apple and Samsung plus Google) have proven this claim.

<sup>120</sup> Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam."

<sup>121</sup> Hadith narrated by Abu Dawud, vol. 4, Book of Business (*Kitab Al-Buyu'*), Chapter 26 Regarding Partnerships, Hadith No. 3383. This hadith is Hasan according to Hafiz Abu Tahir Zubair 'Ali Za'i. See: Abu Dawud Sulaymān ibn al-Ash'ath, *Sunan Abu Dawud* (Arabic-English), trans. Nasiruddin al-Khattab, 5 vols. (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2008), 86.

<sup>122</sup> Jawed Akhtar Mohammed, "The Ethical System in Islam – Implications for Business Practices," 873-882.

<sup>123</sup> Rafik Issa Beekun, *Islamic Business Ethics*.

Based on the above explanation it is clear that mankind have been given freedom to choose between right and wrong. They can utilize the freedom in accordance to the divine commandments or misuses it on they will. As the *khilāfah* in this world, Islam provided this freedom with elements of discipline and dignity. A Muslim's freewill to choose is guided by the will of Allah SWT and His divine commandments. Thus, in accordance to the divine law, a faithful is expected to fulfill all obligations, contribute to the well-being of society, and most importantly be benevolent (*ihsān*).

#### 2.4.5 The Principle of *Farḍ*

The concept of responsibility (*farḍ*) holds every individual accountable and ultimate responsible for his/her own deeds. This is also authorized by Quranic injunctions. The expectation arising out of this principle ties in with the other three principles mentioned earlier including their expectations and applications in business practices. Freewill, for instance, does not work properly without responsibility. This sets a limit to what human is free to do since he is responsible for all that he does. Thus, it is responsibility of every believing Muslim to fulfill their duties in accordance with Islamic principles to seek Allah's favor and blessings as the ultimate path to paradise<sup>124</sup>.

مَنْ يَشْفَعْ شَفْعَةً حَسَنَةً يَكُنْ لَهُ نَصِيبٌ مِّنْهَا وَمَنْ يَشْفَعْ شَفْعَةً سَيِّئَةً  
يَكُنْ لَهُ كِفْلٌ مِّنْهَا ...

Al-Nisā' 4:85

Translation: Whoever joins himself (to another) in a good cause shall have a share of it, and whoever joins himself (to another) in an evil cause shall have the responsibility of it...

In addition, the principles of *ikhtiyār* and *farḍ* come together as a pair balancing each other. 'Aql (intellect) will provide a freedom to mankind; a freedom to think, choose and

<sup>124</sup> Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam."

act (*ikhtiyār*). The freedom, however, is conditional in Islam. Adherence to divine commandments will lead to Allah's favors and blessings. Violation of Quranic injunctions will draw Allah's curses and retributions. The expectation, therefore, is that a believing Muslim will contribute to the well-being of society and look after the needy. In general word, they will fulfill all obligation or responsibility (*farḍ*) as a *khilāfah* of this world<sup>125</sup>. This clearly involves performing actions that improve the welfare of the least privileged in society. The Quran states:

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ ...

Ali 'Imrān 3:92

Translation: By no means shall you attain to righteousness until you spend (benevolently) out of what you love...

It is the responsibility of every individual to care for the needy in society. Denial of such responsibility is equivalent to denial of faith. Allah states in the Quran:

أَرَأَيْتَ الَّذِي يُكَذِّبُ بِالدِّينِ ﴿١﴾ فَذَلِكَ الَّذِي يَدْعُ الْيَتِيمَ ﴿٢﴾ وَلَا يُخِضُّ عَلَى طَعَامِ الْمُسْكِينِ ﴿٣﴾

Al-Mā'ūn 107:1-3

Translation: Have you considered him who calls the judgment a lie? That is the one who treats the orphan with harshness; And does not urge (others) to feed the poor.

Thus, by exercising one's responsibility to oneself, God and society, the individual is securing his/her freedom and exercising faith. Freedom must be counter-balanced by responsibility if only to satisfy the dictates of nature's equilibrium. Man having opted for the power to choose between good and evil, and thus, must endure its logical consequences. The Quran clearly states:

<sup>125</sup> Syed Nawab Haider Naqvi, *Ethics and Economics*, 176.

Translation: Every soul is held in pledge for what it earns.

As mentioned earlier, Allah SWT has sent the criterion between right and wrong to mankind through the Quran. Subsequently, if one accepts guidance through the divine book, it is not as if one confers favor on the prophets who brought the guidance. The prophets suffer unselfishly for the well-being of mankind that they may be guided for their own good. Conversely, if one rejects the guidance, it is his/her own loss. Humankind, in Islam, has a certain amount of freewill, and the responsibility is his/hers and cannot be shifted to others<sup>126</sup>.

Because of the universal quality of social justice (*al-'adl*), every individual must be held responsible for his own actions. No one can escape the consequences of his misdeeds just by pointing to a convenient scapegoat. The Quran states:

...وَلَا تَكْسِبُ كُلُّ نَفْسٍ إِلَّا عَلَيْهَا وَلَا تَزِرُ وَازِرَةٌ وِزْرَ أُخْرَىٰ...

Al-An'am 6:164

Translation: ...and no soul earns (evil) but against itself, and no bearer of burden shall bear the burden of another...

Thus, it is clear that every individual is fully responsible for his/her deeds and cannot transfer the consequences to someone else. According to Islam, every soul is accountable to Allah SWT and thus, a faithful's action is motivated by achieving Allah's favor and blessing.

<sup>126</sup> Commentary in the Quran from the *Al-Qur'an, English Translation of the Meanings and Commentary*, Revised and Edited by The Presidency of Islamic Researches, IFTA, Call and Guidance, (Al-Madinah Al-Munawwarah, Saudi Arabia: The Custodian of the Two Holy Mosques King Fahd Complex for the Printing of the Holy Qur'an), 579

In business world, Muslim businessmen must be trustworthy and truthful in their transactions. It is their responsibilities to trade through mutual consent and to fulfill all their obligations. Businesses must treat their employees fairly and deal with generosity and leniency. It is also their responsibilities to take care of basic of the poor and needy in the society. Further, businesses must be cognizant of the prohibitions in their business dealings in adherence to business precepts of Islam. Accordingly, businessmen must avoid *riba* (interest) in their financial transactions, avoid dealing in prohibited items, not hoard resources or wealth avariciously or fix prices, not involve in sale of something *gharar* (uncertainty), avoid cheating and fraud in business transactions, and so on.

Other responsibility of businesses and each individual involved in them are to contribute to society by paying zakat, *infāq* and *ṣadaqah*. Zakat is a compulsory almsgiving for all Muslims, while *infāq* and *ṣadaqah* are voluntary. In Islam, such almsgivings are aimed as a purification of wealth because its accumulation in certain level involves the work of other people. The payment of such almsgivings creates virtues of sharing wealth with others in the mind the givers. It uplifts the giver from a life of material pursuits to a life endowed with moral purpose. The payer pays it as an act of worship while the destitute receive it as a matter of right. This balance in human endeavors is necessary to ensure social well-being and continued development of human potential.

Islam encourages individual's initiative, drive, efficiency, and enterprising attitudes along with a right to make profits and own private properties and businesses. In contrast, it condemns greed, unscrupulousness and an attitude of disregard for the rights and needs of others. Hence, Islam discourages an excessive personal gain in the form of profit without fulfilling the responsibility of social obligations. Thus, the principle of *fard* (responsibility) forms an essential core value of balancing between personal and social development by fulfilling the needs of both parties.

## 2.5 The Dimensions and Values of IWE

The preceding discussion demonstrates that work in Islam, in addition to its economic aspect, has moral, psychological and social (relational) aspects. Work must be beneficial and meaningful. In other words, it has to be useful to others and the community at large while serving as a source for pride and a dignified and balanced life.<sup>127</sup> Above all, the concept of work ethics in Islam must be based on five basic principles that have been mentioned earlier, namely *tawhīd*, *khilāfah*, *‘adl*, *ikhtiyār*, and *farḍ*.

The implementation of these principles are embedded in many of work values—such as truthfulness, honesty, keeping the promise, fairness, justice, patience, humbleness, generosity, and so on—that are extracted from the explanation of the IWE concept in the above sections. These Islamic work ethical values can be classified into eight dimensions, namely: (1) religiousness, (2) effort, (3) competition, (4) work obligation, (5) quality, (6) equality, (7) collectivity, and (8) benefit. In conducting business activities, these dimensions will collectively result in higher performance and widespread prosperity. The principles, dimensions, and values of work ethics in Islam are conceptualized in a form of a cyclic model as shown in Figure 2.1. This model will be utilized as the basis for development of IWE questionnaires later in chapter IV. The following sections will briefly discussed the dimensions of IWE along with the embedded values.

### 2.5.1 Religiousness

It is defined as the intrinsic religious orientation in which religion provides the individual with a meaning-endowing framework in terms of which life is understood. In other words, it is more on a spirituality of an individual.<sup>128</sup> Mookherjee<sup>129</sup> defined

---

<sup>127</sup> Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic," 5-19.

<sup>128</sup> Ahlam Waemusor, "The Relationship between Perceived Islamic Bank Corporate Social Responsibility Based Customer Service and Customer Satisfaction: The Role of Religiosity as a Moderator" (Master's Thesis, Universiti Sains Malaysia, Penang, Malaysia, 2010).

<sup>129</sup> H. N. Mookherjee, "Effects of Religiosity and Selected Variables on the Perception of Well-Being," *The Journal of Social Psychology*, 134, no. 3 (1993), 403-405.

religiosity in terms of public or participatory and private or devotional religious behavior. People therefore differ in their religiousness. While this definition helps to identify one's level of religiosity, within the context of Islamic faith however, it will depend on how closely a Muslim remains true to the natural religious disposition that Allah, in His mercy, has instilled in all human beings.<sup>130</sup> Therefore, from an Islamic standpoint, a religious person is someone who is behaving in accordance with human nature and an irreligious person is behaving contrary to that nature. In summary, al-Sani<sup>131</sup> defined religiosity as the degree to which an individual adheres to the beliefs and practical teachings of the faith.

Religiousness is generally observed through the following dimensions, namely (1) the 'experiential' which is the experience of religious emotions in the form of exaltation, fear, humility, joyfulness and peace, (2) the 'ritualistic dimension' which includes specific religious practices that are expected from religious followers such as praying, worship and fasting, (3) the 'ideological dimension' which is the expectation that a religious person must hold certain beliefs which followers are expected to adhere to, (4) the 'intellectual dimension' which is the expectation that religious persons must have some knowledge about the basic tenets of their faiths and religious scriptures, and (5) the 'consequential dimension' which encompasses a man's relation to other man which includes religious prescriptions that determine attitudes of adhering as a consequence of their religious beliefs.<sup>132</sup>

---

<sup>130</sup> Salih Ibrahim al-Sani, "Measuring the 'Religiosity' of Muslims," website *IslamToday*, 07 August 2010, retrieved on 11 June 2013, <http://en.islamtoday.net/artshow-416-3704.htm>.

<sup>131</sup> *Ibid.*

<sup>132</sup> C. Y. Glock, "On the Study of Religious Commitment," in *Religion's Influence in Contemporary Society, Readings in the Sociology of Religion*, ed. J. E. Faulkner (Ohio, USA: Charles E. Merrill, 1972), 38-56.

Table 2.1 IWE Values under Religiousness Dimension

IWE Values	Sources*	Definition	Significance in IWE
Piety ( <i>Taqwā</i> )	Quran 5:2	A concept that is interpreted as God-consciousness, God-fearing obedience which suggesting the idea of a faith animated by works, and works quickened by a genuine experience of faith; such <i>taqwā</i> is the substance of all Godliness	Awareness of Allah's presence and attributes. Thus, it prevents human from conducting unethical business activities
Conscience	Quran 91:8	An aptitude, faculty, intuition or judgment that assists in distinguishing right from wrong. In psychological terms conscience is often described as leading to feelings of remorse when a human commits actions that go against his/her moral values and to feelings of rectitude or integrity when actions conform to such norms	Enable free will to determine whether something is right or wrong.
Knowledge	Quran 2:239; 17:36	A familiarity, awareness or understanding of someone or something, such as facts, information, descriptions, or skills which is acquired through experience or education by perceiving, discovering, or learning. Knowledge can refer to a theoretical or practical understanding of a subject. It can be implicit (as with practical skill or expertise) or explicit (as with the theoretical understanding of a subject); it can be more or less formal or systematic.	Provides practical understanding of someone or something.
Intention	Quran 17:25	The thing that an individual plan to do or achieve: an aim or purpose. It bursts from the heart which run like conquests inspired by God. In Islam, it is a concept that referring to the intention one evokes in one's heart to do an act for the sake of Allah.	Purifies the objective of work to get reward from Allah (SWT)
Faith	Quran 95:6	Strong belief in God or in the doctrines of a religion, based on spiritual apprehension rather than proof. In Islam, it denotes a believer's faith in the metaphysical aspects of Islam. Its most simple definition is the belief in the six articles of faith.	Manifests ethical actions and behaviors.

Source: Encyclopaedia of Islam,<sup>133</sup> Larry May,<sup>134</sup> Merriam-Webster Dictionary,<sup>135</sup> Maqsood,<sup>136</sup> Denny<sup>137</sup>

\*Source for this matters is Quran and Hadith and they are written based on the following order: 1) "Quran" followed by number *sūrah* and *āyah*. 2) "Hadith" followed by name of narrator (such as Bukhārī or Muslim) and number of hadith.

Some studies have found that religious motivation is one of main factor—for employee and customer—in dealing with Islamic banking. In addition to its human resources,

<sup>133</sup> "Turnover: the Real Bottom Line," *Public Personnel Management* 29, no. 3 (2000), 333-342.

<sup>134</sup> Cherg G Ding and Chieh-Peng Lin, "Comparing the Effects of Determinants of Turnover Intentions Between Taiwanese and U.S. Hospital Employees," *Human Resource Development Quarterly* 17, no. 4 (2006), 403-421.

<sup>135</sup> Merriam-Webster Dictionary, "Intention," website *Merriam-Webster.com*, retrieved on 22 July 2014, <http://www.merriam-webster.com/dictionary/intention.>; and Merriam-Webster Dictionary, "Faith," website *Merriam-Webster.com*, retrieved on 22 July 2014, <http://www.merriam-webster.com/dictionary/faith.>

<sup>136</sup> Ruqaiyyah Waris Maqsood, *Teach Yourself Islam* (London: Hodder & Stoughton, 2003).

<sup>137</sup> Frederick Mathewson Denny, *An Introduction to Islam*, 2<sup>nd</sup> ed. (Macmillan Publishing Company, 1994).



products and services are among main factors to observe in determining the religiousness of an Islamic bank.<sup>138</sup> The schemes offered on a product or service show to what extent an Islamic bank complies with shariah, and thus determines its religiousness. Hence, the values of piety (*taqwā*), conscience, knowledge, intention, and faith fall under this dimension.

Having *taqwā* allows a person to be constantly aware of both God's presence and attributes and a reminder of their relationship and responsibility to God as His creation and servant. Meanwhile, conscience and knowledge will assist humankind in understanding and distinguishing right from wrong. On top of that, intention is the main element that gives importance to a person's action. Having good intention one expression of *īmān* (faith) along with everything a person perceives, thinks, feels, says and does. The values of work ethics under this dimension are summarized in Table 2.1.

### 2.5.2 Effort

Effort is the amount of exertion expended for a specified purpose,<sup>139</sup> or an earnest and conscientious activity intended to do or accomplish something.<sup>140</sup> Effort is seen as the necessary IWE's ingredient for serving self and society. That is, productive involvement minimizes social and economic problems, while allowing a person to obtain reasonable living standards for self and family. What is significantly important is that effort in Islam is held in the highest regard. The second Caliph, Umar ibn al-Khattab (r.a.), was quoted saying, "I would prefer dying while struggling for my sustenance and the sustenance of my children, to dying while fighting in the defense of faith"<sup>141</sup> and "The

---

<sup>138</sup> Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking: a Study of Customer Satisfaction and Preferences in Jordan," *International Journal of Bank Marketing* 17, no. 3 (1999), 135-151.

<sup>139</sup> "Effort," website *Dictionary.com*, retrieved on 12 June 2013, <http://dictionary.reference.com/browse/effort>.

<sup>140</sup> "Effort," website *The Free Dictionary*, retrieved on 13 June 2013, <http://www.thefreedictionary.com/effort>.

<sup>141</sup> Quoted in: Muhammad Abdul-Rauf, *A Muslim's Reflections on Democratic Capitalism* (Washington, D.C.: American Enterprise Institute, 1984).

strength of any deed, is not to postpone today's work to tomorrow". The fourth Caliph, 'Ali ibn Abi Thalib (r.a.), stated, "Do not be one of those who hope for a better world to come without working for it" and "He, who does not perfect his/her work, will bring confusion to self".<sup>142</sup>

In Islam, effort is linked to hard work and self-reliance, as Allah mentioned in the Quran:

وَأَنْ لَّيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى ﴿٣٩﴾

Al-Najm 53:39

Translation: Human being can have nothing but what they strive for.

Additionally, the Prophet Muhammad s.a.w. in various hadiths mentioned the importance of self-reliance. In a hadith narrated by al-Miqdām (r.a.), the Prophet s.a.w. said,

ما أكل أحد طعاما قط خيرا من أن يأكل من عمل يده، ...

Translation: Nobody has ever eaten a better meal than that which one has earned by working with one's own hands...<sup>143</sup>

Effort is a necessity to gain pleasure and perfection in this life and hereafter. Therefore, as work in the worldly life relies upon diligence, human is required to work hard with persistence and consistence (*istiqāmah*), leaving behind laziness. Allah stated in the Quran:

---

<sup>142</sup> Ali ibn-Abi-Talib, *Nahjul Balagha: Sermons, Letters, and Sayings of Ali ibn Abi Talib* trans. F. Ebeid (Beirut: Dar alkitab Al-Lubnani, 1989), 550.

<sup>143</sup> Hadith narrated by al-Bukhārī, Book of Sales, Chapter 15 The Earning of a Person and His Manual Labor, Hadith no.2072. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 168.

وَقُلْ أَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ...<sup>ط</sup>

Al-Tawbah 9:105

Translation: And say: Work; so Allah will see your work and (so will) His Messenger and the believers...

In addition, the Prophet Muhammad s.a.w. has been exhorted to have patience at the excesses being committed by his opponents. Some instructions have been given to the Holy Prophet and his followers for carrying out the work of the propagation of Islam with wisdom. Above all, they have been advised that under stress of the excitement of feeling, they should not take any wrong step that might harm their causes.

وَأَصْبِرْ عَلَىٰ مَا يَقُولُونَ وَاهْجُرْهُمْ هَجْرًا جَمِيلًا ﴿١٠﴾

Al-Muzammil 73:10

Translation: And be patient over what they say and avoid them with gracious avoidance.

Patience removes suffering and misery from affecting the heart like the sponge sucks the spilled water. Allah loves the patients:

...أَسْتَعِينُوا بِالصَّبْرِ وَالصَّلَاةِ إِنَّ اللَّهَ مَعَ الصَّابِرِينَ ﴿١٥٣﴾

Al-Baqarah 2:153

Translation: ... seek help through patience and prayer. Indeed, Allah is with the patient.

The aforementioned explanation shows the importance of effort dimension in human's life. Muslims are required to put some efforts to achieve what they desires and it should be embedded by values of hard work, diligence, persistence, self-reliance, consistence, and patience. Table 2.2 summarized the values of IWE that are inserted under the effort dimension.

Table 2.2 IWE Values under Effort Dimension

IWE Values	Sources	Definition	Significance in IWE
Diligence	Quran 9:105	A careful and persistent work or effort. It also defines as a steadfast application, assiduousness and industry; the virtue of hard work. It is one of the seven heavenly virtues. Diligent behavior is indicative of a work ethic; a belief that work is good in itself.	Boost up wealth and prosperity
Hard work	Quran 29:6	A great deal of effort or endurance. Hard work is the act of doing something persistently and earnestly to achieve optimal results. In other words, the hard work is doing something with a high awareness and capability, so as to achieve results as expected.	Creates productive workers
Patience	Quran 3:134	The state of endurance under difficult circumstances, which can mean persevering in the face of delay or provocation without acting on annoyance/anger in a negative way; or exhibiting forbearance when under strain, especially when faced with longer-term difficulties. Patience is the level of endurance one can take before negativity. It is also used to refer to the character trait of being steadfast.	Enhances the ability to cope with job obstacles
Persistence	Quran 6:135	To hold firmly and steadfastly to a purpose, state, or undertaking despite obstacles, warnings, or setbacks. To be obstinately repetitious, insistent, or tenacious.	Not easily giving up in doing job.
Self-reliance	Quran 53:39	The capacity to manage one's own affairs, make one's own judgments, and provide for oneself	Creates independent worker
Consistence ( <i>Istiqāmah</i> )	Quran 46:13	The quality of achieving a level of performance which does not vary greatly in quality over time	Develops trust and reliability

Source: Oxford Dictionaries<sup>144</sup>, Levin and Yeung<sup>145</sup>, Answer.com<sup>146</sup>, Asifudin<sup>147</sup>

### 2.5.3 Competition

Competition is the act or process of competing which is the effort of two or more parties acting independently to secure the business of a third party by offering the most favorable terms.<sup>148</sup> In regard to this, each Muslim business individual must compete

<sup>144</sup> "Hard-working," website *Oxford Dictionaries.com*, retrieved on 21 April 2014, <http://www.oxforddictionaries.com/definition/english/hard-working>.; and "Consistency," website *Oxford Dictionaries.com*, retrieved on 21 April 2014, <http://www.oxforddictionaries.com/definition/english/consistency>.

<sup>145</sup> David A. Levin and Sze Yeung, "The Hong Kong Work Ethic," in *Work and Society: Labour and Human Resources in East Asia*, ed. Ian Nish, Gordon Redding, and Ng Sek-hong (Hongkong: Hong Kong University Press, 1996), 332.

<sup>146</sup> "Persist," website *Answer.com*, retrieved on 21 May 2014, <http://www.answers.com/topic/persist>.; and "Self-Reliance," website *Answer.com*, retrieved on 21 May 2014, <http://www.answers.com/topic/self-reliance>.

<sup>147</sup> Ahmad Janan Asifudin, *Etos Kerja Islami* (Surakarta: Muhammadiyah University Press, 2004).

<sup>148</sup> "Competition," website *Merriam-Webster*, retrieved on 13 June 2013, <http://www.merriam-webster.com/dictionary/competition>.

fairly and honestly and trade with good intentions when performing job at workplace or conducting business activities. The Quran declares:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ  
تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ ...

Al-Nisā' 4:29

Translation: O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent...

Prophet Muhammad was very clear that trade should be conducted without limitations that may obstruct prosperity. Trades and transactions, however, should be conducted in an environment of trust and openness or in a transparent way. Thus, transparency is prescribed as a moral responsibility. Competition has to be conducted in such a way as not to inflict any intentional damage on others. Those who conduct their business in a morally acceptable manner are held in high esteem. The Quran states,

... إِنَّ أَكْرَمَكُمْ عِنْدَ اللَّهِ أَتْقَاهُ إِنَّ اللَّهَ عَلِيمٌ خَبِيرٌ ﴿١٣﴾

Al-Hujurāt 49:13

Translation: ...Indeed, the most noble of you in the sight of Allah is the most righteous of you.

This concept of morally responsible business conduct that was represented at that time was a major breakthrough in the world of trade. At that time, merchants and producers had no guidelines and no ethical standards to rely on. The Prophet Muhammad profoundly altered that culture and insisted on moral conduct not only as a mean for profitable business, but also as a foundation for salvation. The Prophet s.a.w. seemed to recognize that a business could not flourish in an environment that is characterized by abuse and unethical behavior.<sup>149</sup>

<sup>149</sup> Abbas J. Ali and Abdullah Al-Owaidan, "Islamic Work Ethic," 5-19.

This recognition prompted him to declare two essential foundations for fair competitive environment: (1) “Religion is found in the way of dealing with other people”, and (2) “He who cheated us is not from us”. In the context of these two pillars, he strongly rejected the concept “Buyer beware”. The underlying assumption of this concept implies that deceiving is not only a possibility, but a fact of market condition. It further shifts the responsibility of inspection from the producer/supplier to the buyer or customer, infers a hidden cost and creates formidable obstacles to free and fair market practice. In fact, the concept conveys that a competitive environment is subject to corruption and abuse. Consequently, the outcome is a mistrust of market institutions. Thus, the concepts of transparency and honesty in the context of marketplace are required to have a fair competitive environment.<sup>150</sup>

Competition helps consumers get a good deal. It encourages firms to innovate by reducing slack, putting downward pressure on costs and providing incentives for the efficient organization of production. In more details, competition will potentially result in several advantages, namely (1) Lower prices for consumers, (2) A greater discipline on producers/suppliers to keep their costs down, (3) Improvements in technology – with positive effects on production methods and costs, (4) A greater variety of products (giving more choice), (5) A faster pace of invention and innovation, (6) Improvements to the quality of service for consumers, (7) Better information for consumers allowing people to make more informed choices, and (8) The overall impact of increased competition should be an improvement in economic welfare<sup>151</sup>.

---

<sup>150</sup> *Ibid.*

<sup>151</sup> "Benefits of Competitive Markets," website *Tutor2u*, 2014, retrieved on 20 July 2014, [http://www.tutor2u.net/economics/content/topics/competition/competition\\_importance.htm](http://www.tutor2u.net/economics/content/topics/competition/competition_importance.htm).

Table 2.3 IWE Values under Competition Dimension

IWE Values	Sources	Definition	Significance in IWE
Improve-ment	Quran 13:11	The act or result of making something better. It also defined as the act of improving something or the state of being improved or the act of changing something into something different in essential characteristics.	Enhanced value or excellence and produces quality products/services
Decency	Quran 24:30	Conforming with generally accepted standards of respectable or moral behavior. It is also defined as the quality of conforming to standards of propriety and morality; or the quality of being polite and respectable.	Produces low profile employees
Friendship	Quran 43:67	The state of being friends (or association as friends; a state involving mutual dealings between people or parties or countries. The concept of friendship in Islam is heavily based on the level <i>taqwā</i> (piety) toward God and those who corporate in righteousness and piety.	Creates good relationship among employees and improves <i>ukhuwwah</i>
Righteous-ness	Quran 2:177; 28:83	Something that concern with the distinction between good and evil or right and wrong; right or good conduct. In Islam, it is something about doing good thing such as charity, keep promise, patience in distress and affliction.	Creates trusted employees to act honorably regardless of the circumstances

Source: The Religion of Islam<sup>152</sup>, The Free Dictionary<sup>153</sup>, American Heritage Dictionary<sup>154</sup>, Levin and Yeung<sup>155</sup>, Asifudin<sup>156</sup>

In Islam, competition has to be performed in a decent and righteous way to ensure the competitive atmosphere is fair. Thus, such competition will not sacrifice friendship among people involved. In regard to Islamic banking, the competition can be observed through the process of an offering its products or services. Additionally, it is also can be assessed through the method and technique used to attract costumers whether or not using permissible (*halal*) way.

#### 2.5.4 Work Obligation

Obligation is a social, legal, or moral requirement, such as a duty, contract, or promise that compels one to follow or avoid a particular course of action.<sup>157</sup> That includes the

<sup>152</sup> "Modesty (part 1 of 3): An Overview," website *The Religion of Islam* 4 October 2009 16 January 2006, retrieved on 22 July 2014, [http://www.islamreligion.com/articles/21/#\\_ftn9669](http://www.islamreligion.com/articles/21/#_ftn9669).

<sup>153</sup> "Righteousness," website *The Free Dictionary*, retrieved on 14 June 2013, <http://www.thefreedictionary.com/righteousness>.

<sup>154</sup> The American Heritage® Dictionary of the English Language, "Friendship," website *The Free Dictionary*, retrieved on 20 July 2014, <http://www.thefreedictionary.com/friendship>.

<sup>155</sup> David A. Levin and Sze Yeung, "The Hong Kong Work Ethic," 332.

<sup>156</sup> Ahmad Janan Asifudin, *Etos Kerja Islami*.

<sup>157</sup> "Obligation," website *The Free Dictionary*, retrieved on 14 June 2013, <http://www.thefreedictionary.com/obligation>.

obligation in the workplace. In Islam, work obligation is related to morally responsible conduct. Morally based conduct is an essential precondition for sustaining a prosperous economy and a vital business community. Truthfulness, for instance, is encouraged in business transaction. Truthfulness is a notable guideline that commands all Muslims to behave Islamically in all of their deeds as Allah is always watching their practices and rewards them in the hereafter. The Quran says:

قَالَ اللَّهُ هَذَا يَوْمُ يَنْفَعُ الصَّادِقِينَ صِدْقُهُمْ لَهُمْ جَنَّاتٌ تَجْرَى مِنْ تَحْتِهَا  
الْأَنْهَارُ خَالِدِينَ فِيهَا أَبَدًا رَضِيَ اللَّهُ عَنْهُمْ وَرَضُوا عَنْهُ ذَلِكَ الْفَوْزُ  
الْعَظِيمُ

Al-Ma'idah 5:119

Translation: Allah will say, "This is the Day when the truthful will benefit from their truthfulness." For them are gardens [in Paradise] beneath which rivers flow, wherein they will abide forever, Allah being pleased with them, and they with Him. That is the great attainment."

Nasr asserted that Islam provides a climate of work within which the ethical is not separated from the economic. He argued that Islam bestows "an ethical dimension on all kinds of work and in extending the ethical to include even the qualitative aspect of the work in question".<sup>158</sup> The moral stance of business people is the only credible assurance for minimizing or preventing market scandals, abuses and disruption. Only moral and honest conduct inspires confidence in the market and reinforces social contract, ethical understanding and motivates market actors to focus on meeting their primary business responsibilities. Hence, partners, clients, competitors and customers acquire faith in each other's good intentions.<sup>159</sup>

In Islam, a morally responsible businessman—who fulfil his work obligation properly—is promised to have an honor being at par with the holy warriors and martyrs, in the *ākhirat*. The Prophet s.a.w. is reported to have said:

<sup>158</sup> Seyyed Hossein Nasr, "Islamic Work Ethic," 25-35.

<sup>159</sup> Abbas J. Ali and Abdullah Al-Owaihian, "Islamic Work Ethic," 5-19.



التاجر الصدوق الأمين، مع النبي والصديقين والشهداء

Translation: The truthful, trustworthy merchant is with the Prophets, the truthful, and the martyrs.<sup>160</sup>

Similarly, honesty—as one of component of work obligation—is one the primary Islamic ethical maxims in business as economic pursuits. It is related to a Muslim's creed, worship and moral.<sup>161</sup> Nik Yusoff<sup>162</sup> derived that absolute honesty in all business transactions and an open market as one of the important tenets of business in Islam.

In current business practices, the traders and businessmen generally have a tendency to motivate the customers by adopting fraudulent business practices. Islam strongly condemns all such practices in business transactions. Trustworthiness and responsibility are such attitude and behavior that can ensure consolidation in business affairs. Allah SWT has strongly warned human beings to always be trustworthy and responsible persons.

إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا

Al-Nisā' 4:58

Translation: Indeed, Allah commands you to render trusts to whom they are due.

Being trustworthy can also be related to the ability to keep promise. In business world, this value of work ethics is closely related to the maintaining the quality of a product or

---

<sup>160</sup> Hadith narrated by al-Tirmidhī, Book 12: Business from the Messenger of Allah SWT, Chapter 4: What Has Been Related about Those Who Deal in Trade and What the Prophet Called Them, Hadith no. 1209. According al-Tirmidhī himself this Hadith is Ḥasan as he does not know any other chain of Hadith narration except from this route, a narration of al-Tahwīrī from Abū Ḥamzah (who was a Shaikh from Al-Basrah). Hafiz Abu Thahir Zubair 'Ali Za'i and Muhammad Nasiruddin al-Albani classified this Hadith as Ḍa'if. See: Abū 'Isā Muḥammad ibn 'Isā as-Sulamī aḍ-Ḍarīr al-Būghī al-Tirmidhī, *Jāmi' at-Tirmidhī* (Arabic-English), trans. Abu Khaliyl, 6 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007), 570.

<sup>161</sup> Muhammad Adli Musa, "Islamic Business Ethics & Finance: An Exploratory Study of Islamic Banks in Malaysia" (paper presented at the 8th International Conference on Islamic Economics, Dohan, 2011), 1-27.

<sup>162</sup> Nik Mohamed Affandi bin Nik Yusoff, *Islam and Business* (Selangor, Malaysia: Pelanduk Publications, 2002), 279.

service. Customers tend to buy a product or service and recommend it to other people if it meets their expectations. In Islam, being true to one's promise is one of the praiseworthy characteristics, just as breaking one's promise is of the detested characteristics. This ethical characteristic applies to all activities including business activities. Allah, the Exalted, say:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لِمَ تَقُولُونَ مَا لَا تَفْعَلُونَ ﴿٢﴾ كَبُرَ مَقْتًا عِنْدَ اللَّهِ أَنْ  
تَقُولُوا مَا لَا تَفْعَلُونَ ﴿٣﴾

Al-Saff 61:2-3

Translation: O you who believe! Why do you say that which you do not do? Most hateful it is with Allah that you say that which you do not do.

In current Muslim world, a number of morally wrong conducts (unethical practices), such as dishonesty, corruption, extravagance, wasteful-ness, and lack of punctuality and conscientiousness are still continuously taking place. The practices have become securely locked-in through the long-run operation of path dependence and self-reinforcing mechanisms.<sup>163</sup> Thus, in order to get the task of Islamic economics fully accomplished, a Muslim worker must be disciplined, responsible, punctual and performs the work to the highest quality. In the context of work culture, this principle could train an individual to comply with directives and responsibilities. It will prevent one from committing sinful acts such as deception, hypocrite, and slander, that could lead to cause others trouble.<sup>164</sup> At this point, a Muslim worker should have integrity by uncompromising adherence to moral and ethical principles.

Other important elements of Islamic morality are punctuality and time management. The whole Islamic system of prayers and acts of devotion are based on punctuality of time, such as praying (*ṣalāt*), fasting (*ṣiyām*), zakat, etc. It is said that time in Islam is

<sup>163</sup> Muhammed Umer Chapra, "Is it Necessary to Have Islamic Economics?," *The Journal of Socio-Economics* 29, no. 1 (2000), 21-37.

<sup>164</sup> Wan Norhasniah Wan Husin, "Work Ethics from"

more valuable than any precious material things in this world. Islam guides mankind not only to the importance of time but also how to value it. Time should be valued and not be wasted. One must utilize time wisely to increase knowledge and faith, and thus attains success in this world and the hereafter.

Business and work in general have to rest on ethical and moral foundations. The precondition for propagating and realizing this goal is transparency. Transparency is one of the silent prerequisites of any free and efficient market. When transparency relates to information flow from the company to investors, it is also known as “full disclosure”. Transparency helps to prevent the corruption that inevitably occurs when a select few people have access to important information, allowing them to use it for personal gain. Reduced price volatility also tends to be a byproduct of a transparent market because all the market participants can base decisions of value on the same data.<sup>165</sup>

Additionally, a business person in Islam is encouraged to have dignity in his/her daily works by always doing *halal* (lawful) business. Thus, he/she should not indulge in works that are not *halal*. For example, committing *ihtikar* (hoarding)<sup>166</sup> is strictly prohibited in Islam. A harsh punishment is waiting for those who conduct this unethical business dealing.

...وَالَّذِينَ يَكْنِزُونَ الذَّهَبَ وَالْفِضَّةَ وَلَا يَنْفِقُونَهَا فِي سَبِيلِ اللَّهِ فَبَشِّرْهُمْ  
بِعَذَابٍ أَلِيمٍ ﴿٣٤﴾

Al-Tawbah 9:34

Translation: ...Those who hoard gold and silver and spend not in the way of Allah: announce unto them a most grievous chastisement.

---

<sup>165</sup> "Transparency," website *Investopedia.com*, retrieved on 7 July 2014, <http://www.investopedia.com/terms/t/transparency.asp>.

<sup>166</sup> It means storing foodstuffs or withholding them in expectation of rise in their prices.

Table 2.4 IWE Values under Work Obligation Dimension

IWE Values	Sources	Definition	Significance in IWE
Keep promise	Quran 61:2-3	To do what one promised to do or what it is one duty to do.	Committed workers
Honesty/ Truthfulness	Quran 5:119	A facet of moral character and connotes positive and virtuous attributes such as integrity, truthfulness, and straightforwardness, including straightforwardness of conduct, along with the absence of lying, cheating, theft, etc. Furthermore, honesty means being trustworthy, loyal, fair, and sincere.	Refuses to lie, steal, or deceive in any way
Trustworthiness	Quran 16:90	A moral value, regarded as a virtue. For example, a trustworthy person is someone in whom one can place one's trust and rest assured that the trust shall not be betrayed.	Fulfills any assigned task responsibly
Discipline	Quran 13:11	The characteristic of being able to complete a required task or fulfill an obligation before or at a previously designated time.	Obeys the rules or orders
Punctuality	Quran 4:103	The characteristic of being able to complete a required task or fulfill an obligation before or at a previously designated time.	Fulfills tasks on time
Sincerity	Quran 76:7-9	Having or showing true feelings that are expressed in an honest way.	Creates truthful merchants/workers
Integrity	Quran 30:30	Integrity is a personal choice, an uncompromising and predictably consistent commitment to honor moral, ethical, spiritual and artistic values and principles. It is also defined as the inherent complex of attributes that determines a person's moral and ethical actions and reactions. Integrity in Islam refers to the restoration and maintenance of that natural and primal state of purity.	Consistent and reliable workers.
Transparency	Quran 2:282	It implies openness, communication, and accountability. Transparency is operating in such a way that it is easy for others to see what actions are performed. It has been defined simply as "the perceived quality of intentionally shared information from a sender".	Allows stakeholders to gather information that may be critical to uncovering abuses and defending their interests
Dignity	Quran 25:72	Dignity is a concept used in moral, ethical, legal, and political discussions to signify that a being has an innate right to be valued and receive ethical treatment. Dignity (muru'ah) according to Islam is 'izzah (honor), karamah (nobility), qeemah (value), shraf (distinction), fadilah (virtue). The Muslims are required to have dignity by refusing to conduct bad deeds such as lying or testify to falsehood.	Forms nobility or elevates of ethical character

Source: Killinger<sup>167</sup>, Collins English Dictionary<sup>168</sup>, Clayman<sup>169</sup>, Prichard<sup>170</sup>, Dahlsgaard, Peterson, & Seligman<sup>171</sup>, Merriam-Webster Dictionary<sup>172</sup>, Schnackenberg & Tomlinson<sup>173</sup>

<sup>167</sup> Barbara Killinger, *Integrity: Doing the Right Thing for the Right Reason* (McGill-Queen's Press-MQUP, 2010).

<sup>168</sup> Collins English Dictionary, "Integrity," website *The Free Dictionary*, retrieved on 8 June 2014, <http://www.thefreedictionary.com/integrity>.

<sup>169</sup> Steven E Clayman, "The Production of Punctuality: Social Interaction, Temporal Organization, and Social Structure," *American Journal of Sociology*, no. 1989), 659-691.

<sup>170</sup> HA Prichard, "The Obligation to Keep a Promise," *Moral Writings*, no. 2002), 257-265.

<sup>171</sup> Katherine Dahlsgaard, Christopher Peterson, and Martin EP Seligman, "Shared Virtue: The Convergence of Valued Human Strengths Across Culture and History," *Review of General Psychology* 9, no. 3 (2005), 203.

<sup>172</sup> Merriam-Webster Dictionary, "Sincere," website *Merriam-Webster.com*, retrieved on 22 July 2014, <http://www.merriam-webster.com/dictionary/sincere>.

<sup>173</sup> Andrew K. Schnackenberg and Edward C. Tomlinson, "Organizational Transparency: A New Perspective on Managing Trust in Organization-Stakeholder Relationships," *Journal of Management*, no. 2014).

Above all, sincerity (*ikhlas*) is the foundation of work and it is an obligation to abide with it. *Ikhlas* is to do everything, internal and external that only desires the pleasure of God. Thus, when someone is only mind for Allah's pleasure, he/she should ignore the eyes of people, whether they view his/her deeds or not. Table 2.4 summarizes the work values that are classified under the dimension of work obligation, namely keep the promise, honesty/truthfulness, trustworthiness, discipline, punctuality, sincerity integrity, transparency, and dignity.

### 2.5.5 Quality

Quality concerns about how good or bad something is. It is a characteristic or feature that someone/something has or something that can be noticed as a part of a person or thing. It is also can be defined as a high level of value or excellence.<sup>174</sup> Quality measurements are essentially arbitrary as they vary from person to person. For instance, different judges at a sport event assign different scores to the same action. In the workplace, an employee might think that he/she is doing a good job, but his/her boss might disagree.<sup>175</sup>

There are many ways to achieve the quality. First off, quality is created through creativity. It does not just happen. It almost never happens by accident, and when it does, it cannot be duplicated. For this, creativity and consultation are two main components to be utilized. Apple products, for instance, is made up by creativity of the late Steve Jobs. Before achieved its success, intensive consultation (*shūra*) was made to make sure the product were met the market expectation. Second, quality is not the starting point. Very few actions are quality actions the first time they are attempted. Very few products are quality products the first time they are created.

---

<sup>174</sup> "Quality," website *Merriam-Webster Learner's Dictionary*, retrieved on 14 June 2013, [http://www.learnersdictionary.com/search/quality\[1\]](http://www.learnersdictionary.com/search/quality[1]).

<sup>175</sup> Don Dewsnap, *Anyone Can Improve His Or Her Life: The Principles of Quality* (Florida, USA: Booklocker.com Incorporated, 2007), 128.

Third, quality is not the same as perfection. Perfection is possible, but not necessary to achieve quality. A quality movie or car, for instance, might have minor weaknesses, but still be significantly better than other movies or cars. Quality is achieved by taking a starting point, and making it better. In the case of a complex action or product, as most are, this means making all the parts better, bit by bit. A football player can work on his running, kicking, ball-stealing, and many other parts, while a painter gets better and better at all the actions that result in a great painting. To achieve these steps, the employees need training as a part continuous learning and *ikhtiyār*.

The most complex action of all is life itself. A person does thousands, maybe millions of different actions every day. The clear conclusion is that to achieve a significantly better life than other people achieve, one has only to make the parts better. It is not by wishing or hoping, but by doing the actions a little bit better than before. In term of products, it is by producing them a little bit better than before.<sup>176</sup>

Regarding the work quality in Islam, Allah mentioned it in the Quran as it was reflected when He commanded Prophet Dāwūd (a.s.):

أَنْ أَعْمَلَ سَبْعَتِ وَقَدِيرٍ فِي السَّرْدِ وَأَعْمَلُوا صَالِحًا...

Saba' 34:11

Translation: Make full coats of mail and calculate [precisely] the links, and work [all of you] righteousness...

In addition, Allah in the Quran tells story of delicately and accurately working bee and wants human to do their jobs like the honeybees:

وَأَوْحَىٰ رَبُّكَ إِلَى النَّحْلِ أَنْ اتَّخِذِي مِنَ الْجِبَالِ بُيُوتًا وَمِنَ الشَّجَرِ وَمِمَّا يَعْرِشُونَ ﴿٦٨﴾

Al-Nahl 16:68

---

<sup>176</sup> *Ibid.*

Translation: And your Lord inspired to the bee, "Take for yourself among the mountains, houses, and among the trees and [in] that which they construct."

In Islam, work quality is called as *itqān* which is the Arabic word that is utilized to show work quality level.<sup>177</sup> In regard to this, Prophet Muhammad (s.a.w) said:

إِنَّ اللَّهَ يُحِبُّ إِذَا عَمَلَ أَحَدُكُمْ عَمَلًا أَنْ يَتَّقَنَهُ

Translation: Allah verily likes if one of you do his job thoroughly and proficiently.<sup>178</sup>

Islam as a perfect and comprehensive religion sets the basis for quality work. The order, discipline, accuracy, beautiful work, well thought out tasks and justice are all part of quality Islamic work and performance. Quran as the final divine revelation from Allah provides a code of conduct for every believer and is the commandment and warrant for them to be committed in their works and be sincere about it. Adhering to the Quranic teachings on *itqān* equips the Muslim professional an effective approach to problem-solving preceded by steady and thorough examination before undertaking an activity and enables the Muslim to tackle problems in an orderly and disciplined manner.<sup>179</sup> Being *itqān* means being precise and accurate in work that ensure quality result of work or product.

In improving work quality, Islam allows healthy and fair competition among businesses that could lead to better performance in an organization since it does not to deny human's needs but to fulfill it with occupational objectives or business dealings that do

---

<sup>177</sup> Hossein Khanifar et al., "Identifying the Dimensions and Components of Islamic Work Values (I WV) for Public Services Sector of Iran," *European Journal of Social Sciences* 22, no. 2 (2011), 246-261.

<sup>178</sup> Hadith narrated by al-Baihaqi, Chapter *al-Amanat Waman Yuhibbu Man Yuādiha*, and *al-Tawakal billah S.w.t wa al-Taslim Liamri S.w.t. Fi Kulli Syai*, hadith no. 1181 and 4930. Mukhtar Ahmad al-Nadawi classified this hadith as *Dha'if*. See: Abu Bakr Ahmad bin al-Husain al-Baihaqi, *al-Jami'li Syu'abi al-Iman*, (Riyadh, Saudi Arabia: Maktaba al-Rusyd, 2003), 233 and 440.

<sup>179</sup> Abdi O. Shuriye and Ibrahim A. Haji Adam, "The Concept of Itqan and Its Role in Muslim Professional Life," in *Ethics of Engineering Education*, ed. Abdi O.Shuriye, Ahmad Faris Ismail, and Azweeda Bt. Dahalan @ Ghazali (Kuala Lumpur, Malaysia: IIUM Press, 2009), 99-105.

not contradict the religious teachings.<sup>180</sup> This worldview lays emphasis on the vicegerency (*khilāfah*) role of man on earth that requires submission and obedience to Allah, the Almighty God. The need to perform the said role of being God's vicegerent or *khilāfah* demands that man, in going about his everyday life establishes worship in each and every of his actions. This total worship and submission to the God puts man's daily obligations and duties into either *farḍu 'ain*<sup>181</sup> or *farḍu kifāyah*<sup>182</sup>. Table 2.5 summarizes the values under quality dimension.

Table 2.5 IWE Values under Quality Dimension

IWE Values	Sources	Definition	Significance in IWE
Precision	Quran 21:33	The degree of conformity of a measure to a standard or a true value.	Enable employees to accomplish the job in orderly fashion.
Creativity	Quran 29: 20	Producing something that was not in existence before or has nothing similar to it. It is also defined as having the ability or power to create things.	Enable to produce something new through imaginative skill.
Professionalism	Quran 28:26	The skill, good judgment, and polite behavior that is expected from a person who is trained to do a job well.	Improves job performance.
Accuracy	Quran 32:7-9; 27:88	The degree of refinement with which an operation is performed or a measurement stated.	Keeps the employee from mistakes or errors.

Source: Merriam-Webster<sup>183</sup>, Abd-Allah<sup>184</sup>, Abdullah<sup>185</sup>, Al-Karasneh and Saleh<sup>186</sup>

### 2.5.6 Collectivity

The definition of collectivity is the individuals who are considered as a whole group.<sup>187</sup>

In Islam, collectivity is derived from the root of Islam as collective religion (*Islamic*

<sup>180</sup> Abbas Ali, "Scaling an Islamic," 575-583.

<sup>181</sup> *Farḍu 'ain* is a term in Islam that refers to the individual responsibility to God and society where every single Muslim is required to perform by himself

<sup>182</sup> *Fardu kifayah* is a term that refers to collective responsibility in Islam where one is absolved of such an obligation whenever someone else performs the same satisfactorily

<sup>183</sup> Merriam-Webster Dictionary, "Precision," website *Merriam-Webster.com*, retrieved on 22 August 2014, <http://www.merriam-webster.com/dictionary/precision>.

<sup>184</sup> Umar Faruq Abd-Allah, "Innovation and Creativity in Islam," *Artikkel, Nawawi Foundation*, no. 2006).

<sup>185</sup> Muhammad Fuad Abdullah, "Professionalism: The Islamic Perspective," *Jurutera* -, no. February (2004), 9-11.

<sup>186</sup> Samih Mahmoud Al-Karasneh and Ali Mohammad Jubran Saleh, "Islamic Perspective of Creativity: A Model for Teachers of Social Studies as Leaders," *Procedia - Social and Behavioral Sciences* 2, no. 2 (2010), 412-426.

<sup>187</sup> "Collectivity," website *Your Dictionary*, retrieved on 14 April 2013, <http://www.yourdictionary.com/collectivity>.



*ummah*). One of the results of religious collectivity in Islam is cooperation and collaboration in the workplace to boost up economic activities. Cooperation and collaboration among workers is a highly-rated virtue in Islam, as they could instill harmony and the rights of every individual within an organization.<sup>188</sup> IWE advocates the importance of fostering good cooperation and collaboration when faced with conflict, which in turn could improve the job quality. In return, it does not condone conglomerates to accumulate wealth while overlooking the welfare of workers. By instilling these values, job functions will run smoothly, as any conflict would be dealt collaboratively as Allah SWT commands in the Quran:

...وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ وَاتَّقُوا اللَّهَ...

Al-Ma'idah 5:2

Translation: ...And cooperate in righteousness and piety, but do not cooperate in sin and aggression; and be careful of (your duty to) Allah...

In the context of work culture, an organization will only succeed when there exists cooperation and collaboration amongst the co-workers in performing their job.<sup>189</sup> Thus, the implementation of altruism and helpfulness concepts is important as a pre-condition before the cooperation and collaboration existed. When these concepts have been developed, workers will have a good communication as reflected by the willingness to consult among themselves in order to perform work properly. At the end, these will lead to a good relationship among workers that ensure the organizational success. Summary of values that fall under this dimension is presented in Table 2.6.

<sup>188</sup> Norazit Selat, "Adat Melayu: Kesenambungan dan Perubahan " in *Adat Melayu Serumpun* (Kuala Lumpur: Universiti Malaya Press, 2001), 91.

<sup>189</sup> Wan Norhasniah Wan Husin, "Work Ethics from the Islamic Perspective in Malaysia," 51-60.

Table 2.6 IWE Values under Collectivity Dimension

IWE Values	Sources	Definition	Significance in IWE
Altruism	Quran 3:92; Hadith Bukhārī 13.	The belief in or practice of disinterested and selfless concern for the well-being of others. It is generally understood to be behavior that benefits others at a personal cost to the behaving individual. In addition, some authors define altruism as charity	Encouraging social awareness.
Helpfulness	Quran 57:18	The property of providing useful assistance; or friendliness evidenced by a kindly and helpful disposition.	Getting work done on a timely manner
Cooperation	Quran 5:2	An act or instance of working or acting together for a common purpose or benefit. It is also defined as a situation in which people work together to do something. Or, it is a voluntarily arrangement in which two or more entities engage in a mutually beneficial exchange instead of competing. The action or process of working together to the same end.	Increases the sense of unity and oneness
Collaboration	Quran 38:24; 4:12	Collaboration is working with others to do a task and to achieve shared goals. It is a recursive process where two or more organizations work together to realize shared goals, (this is more than the intersection of common goals seen in co-operative ventures, but a deep, collective determination to reach an identical objective. It is working with another person or group in order to achieve or do something. In business, it is defined as working practice whereby individuals work together to a common purpose to achieve business benefit.	Evokes the sense of togetherness and improve the quality of work
Relationship	Hadith Bukhārī 5983, 5988	The way in which two or more people or things are connected, or the state of being connected.	Multiplying business relations and having more benefits.
Consultation	Quran 42:38; 3:159	Seeking and giving of advice, information, and/or opinion, usually involving a consideration.	Denotes an employee's humbleness on his self and his willingness to degrade his egocentrism to listen to others opinion.

Source: Neusner and Chilton,<sup>190</sup> Waldby et al.,<sup>191</sup> Martinez-Moyano,<sup>192</sup> Oxford Dictionaries<sup>193</sup>, Business Dictionary<sup>194</sup>, al-Bukhārī<sup>195</sup>

<sup>190</sup> Jacob Neusner and Bruce Chilton, *Altruism in World Religions* (Georgetown University Press, 2005).

<sup>191</sup> Catherine Waldby et al., "From Altruism to Monetisation: Australian Women's Ideas about Money, Ethics and Research Eggs," *Social Science & Medicine* 94, no. 0 (2013), 34-42.

<sup>192</sup> Ignacio J. Martinez-Moyano, "Exploring the Dynamics of Collaboration in Interorganizational Settings," in *Creating a Culture of Collaboration: The International Association of Facilitators Handbook*, ed. Sandy Schuman (John Wiley & Sons, 2006), 69-86.

<sup>193</sup> "Relationship," in *Oxford Dictionaries* (Oxford, UK: Oxford University Press, 2014).

<sup>194</sup> "Consultation," website *BusinessDictionary.com*, retrieved on 25 August 2014, <http://www.businessdictionary.com/definition/consultation.html>.; and "Cooperation," website *BusinessDictionary.com*, retrieved on 25 August 2014, <http://www.businessdictionary.com/definition/cooperation.html#ixzz3BGUzeaX7>.

<sup>195</sup> Hadith Narrated by al-Bukhārī, Book of *al-Adāb* (Good Manners), Chapter 10 The Superiority of Keeping Good Relations with One's Relatives, hadith no. 5983, Chapter 12 Whoever was Made Wealthy Because of Keeping Good Relations with His Kith and Kin, hadith no. 5985, and Chapter 13 Allah Will Keep Good Relations With the One Who Will Keep Good Relations With His Kith and Kin, hadith no. 5988. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 8 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 24-26.

### 2.5.7 Equality

Equality is defined as the quality or state of being equal, and generally it is an ideal of uniformity in treatment or status by those in a position to affect either.<sup>196</sup> In Islam, men and women are created equal in their basic humanity, and all have the shared lineage and dignity of Allah's creation and privilege of man over the other creatures of His creation. Discrimination due to race, sex, color, lineage, class, region or language is vehemently prohibited in Islam to avoid the artificial barriers between the privileged and underprivileged.

Equality does not mean that all are exactly alike since there is no denial about natural differences. The two genders complement and complete each other.<sup>197</sup> Allah the Exalted says in the Glorious Quran:

يَا أَيُّهَا النَّاسُ اتَّقُوا رَبَّكُمُ الَّذِي خَلَقَكُمْ مِنْ نَفْسٍ وَاحِدَةٍ وَخَلَقَ مِنْهَا  
زَوْجَهَا وَبَثَّ مِنْهُمَا رِجَالًا كَثِيرًا وَنِسَاءً ۚ وَاتَّقُوا اللَّهَ الَّذِي تَسَاءَلُونَ بِهِ  
وَالْأَرْحَامَ إِنَّ اللَّهَ كَانَ عَلَيْكُمْ رَقِيبًا ﴿٤٦﴾

Al-Nisā' 4:1

Translation: O mankind! Fear and revere your Lord, Who created you from a single person, created from it its mate, and from them scattered (like seeds) countless men and women; so fear Allah, through Whom you demand your mutual (rights), and (reverence) the wombs (that bore you): for Allah ever watches over you.

All commands of obligation and prohibition are applicable to all without any distinction because of class, social status or race. Justice Allah is not based on those distinctions but according to their own actions, as He stated in the Quran:

مَنْ عَمِلْ صَالِحًا فَلِنَفْسِهِ ۖ وَمَنْ أَسَاءَ فَعَلَيْهَا ۚ وَمَا رَبُّكَ بِظَلَّامٍ لِّلْعَبِيدِ ﴿٤٦﴾

Al-Fuṣṣilat 41:46

<sup>196</sup> "Equality," website *Merriam-Webster*, retrieved on 14 June 2013, <http://www.merriam-webster.com/dictionary/equality>.

<sup>197</sup> Abdul-Rahman al-Sheha, "Equality in Islam," (2012), retrieved on <http://investigate-islam.com/?p=1592#more-1592>.

Translation: Whoever does good, it is for his own soul, and whoever does evil, it is against it; and your Lord is not in the least unjust to the servants.

The differentiation between individuals in the Sight of Allah is based on their levels of piety, righteousness, and compliance to the Commands of Allah, the Most Beneficent. Allah judges people based on their deeds as mentioned earlier in QS. Al-Ḥujurāt 49:13 that “the most noble of you in the sight of Allah is the most righteous of you”.

All individuals are equal before the Islamic code of law and the appointed Muslim judge. The penalties, judgments and legal sentences are applicable to all races and classes of people without any distinction and without any privileged person acquiring immunity. None has the right to monopolize abuse or act for his personal interest on national resources. All members of the nation have the right to benefit from the national resources, each according to just and equitable rights and obligations.<sup>198</sup>

Although Islam declares all people equal in terms of human values, yet they will not be equal in terms of the work and the benefit they present for the public good. Thus, every individual is rewarded according to what he presents to his society and community. The only distinction between people is on the basis of service that they offer. For instance, it does not look at a hardworking individual and a sluggish individual on equal footing in terms of pay and financial rewards.<sup>199</sup> The Almighty Allah states in the Glorious Quran:

وَلِكُلِّ دَرَجَتٌ مِّمَّا عَمِلُوا وَمَا رَبُّكَ بِغَفِلٍ عَمَّا يَعْمَلُونَ ﴿١٣٢﴾

Al-An’ām 6:132

Translation: And all have degrees according to what they do; and your Lord is not heedless of what they do.

One of equality concepts in Islam is justice which is not only defined as a total equality but also include the element of balance. Justice is attained when a person gets what he

---

<sup>198</sup> *Ibid.*

<sup>199</sup> *Ibid.*

deserves without taking or neglecting other's right.<sup>200</sup> In Islam, once justice is prevails, global harmony is achieved. Thus, the equality dimension in Islam rejects the theory of egoism which only focuses on satisfying and meeting the interests of certain individuals.<sup>201</sup>

Table 2.7 IWE Values under Equality Dimension

IWE Values	Sources	Definition	Significance in IWE
Respect	Quran 48:29; 17:23;	Respect is thinking and acting in a positive way about oneself or others and in a way that shows others that a person cares about their feelings and their well-being. Respect is a positive feeling of esteem or deference for a person or other entity (such as a nation or a religion), and also specific actions and conduct representative of that esteem. Respect can be a specific feeling of regard for the actual qualities of the one respected.	Foster mutual understanding among employees.
Justice	Quran 57:25; 16:90	Justice is the concept of total equality that include the element of balance. Justice is attained when a person gets what he deserves without taking or neglecting other's right.	Promotes fair dealings in business transactions
Fairness	Quran 17:35; 4:135	Fairness can be interpreted as being equal in provision, in opportunity or in result. It is the state, condition, or quality of being fair, or free from bias or injustice.	Eliminates discrimination, intolerance and injustice in the workplace
Humbleness	Quran 26: 215; 25:63; 11:23	It is defined as thinking and behaving in a way that treats all people the same that no one is more important than oneself, and no one is less important. In application, humbleness is the act of controlling oneself from thinking that oneself is better than other people.	Fosters mutual respects among employees by eliminating arrogance.

Source: Kamri<sup>202</sup>, Dillon<sup>203</sup>, Arnett<sup>204</sup>, Noyes<sup>205</sup>

In term of work treatment, every individual has the right to be treated fairly regardless of gender, race, social status, etc. Workers should receive their rights in line with their obligations, while the customers should also receive their rights based on their investments. Thus, it is compulsory for every individual worker to respect the customers and eliminate the selfishness while promote the altruism. One of the ways to achieve

<sup>200</sup> Nor 'Azzah Kamri, "Implementation of Islamic Ethics in Organizations: Malaysian Experiences" (paper presented at the International Conferences on Humanities, Historical and Social Sciences (CHSS), Singapore, 2010).

<sup>201</sup> William H. Shaw, *Business Ethics*, 3<sup>rd</sup> ed. (California, USA: Wadsworth Publishing Co, 1999).

<sup>202</sup> Nor 'Azzah Kamri, "Implementation of Islamic Ethics."

<sup>203</sup> Robin S. Dillon, "Respect," in *The Stanford Encyclopedia of Philosophy*, ed. Edward N. Zalta (Stanford: The Metaphysics Research Lab, Stanford University, 2014).

<sup>204</sup> Harold E. Arnett, "The Concept of Fairness," *The Accounting Review* 42, no. 2 (1967), 291-297.

<sup>205</sup> Dorothy Noyes, "Humble Theory," *Journal of Folklore Research* 45, no. 1 (2008), 37-43.

this is by achieving the humility as a virtue of life. Table 2.7 summarizes the values of IWE under dimension of equality.

### 2.5.8 Benefit

Benefit is defined as something that promotes or enhances well-being (an advantage), or something that improves or promotes, or something that is advantageous or good<sup>206</sup>. In general, benefit is divided into two sections, personal and social benefits. Personal benefit is the acknowledgement the extent to which an action produces beneficial consequences for the individual in question; and social benefit is the acknowledgement the extent to which an action produces beneficial consequences for society<sup>207</sup>.

Islam allows a person to own his/her earnings and the Islamic state does not interfere with the freedom of speech, work and earnings of an individual provided this freedom is not harmful to the greater good of society. Islam is a collective religion (*Islamic ummah*) which means that each economic activity should has benefit to the *ummah* (society). Thus, the economic activity is right if it is beneficial to Islamic *ummah* and gives power and potency to the *ummah*. A work result for Islamic *ummah* is one of the most important dimensions of IWE.<sup>208</sup> Ali<sup>209</sup> in his previous researches on the IWE—has implicitly indicated this part under the concept of generosity.

Everything in Islam is for the benefit and welfare of mankind. The economic principle of Islam aim at establishing a just society wherein everyone will behave responsibly and

---

<sup>206</sup> "Benefit," website *thefreedictionary.com*, 2003, retrieved on 11 March 2014 <http://www.thefreedictionary.com/benefit>.

<sup>207</sup> "Ethics," website *Internet Encyclopedia of Philosophy*, retrieved on 26 August 2014, <http://www.iep.utm.edu/ethics/#SH3a>.

<sup>208</sup> Hamid Ebadollahi Chanzanagh and Mahdi Akbarnejad, "The Meaning and Dimensions of Islamic Work Ethic: Initial Validation of a Multidimensional IWE in Iranian Society," *Procedia - Social and Behavioral Sciences* 30, no. n/a (2011), 916 – 924.

<sup>209</sup> Abbas Ali, "Scaling an Islamic," 575-583.

honestly, and not as ‘cunning foxes’ fighting for as big a share of something as possible without regard for honesty, truth, decency, trust and responsibility.<sup>210</sup>

Table 2.8 IWE Values under Benefit Dimension

IWE Values	Sources	Definition	Significance in IWE
Kindness	Quran 8:72; 59:9	The state or quality of being kind, in any of its various senses; manifestation of kind feeling or disposition beneficence. Kindness is also a behavior marked by ethical characteristics, a pleasant disposition, and concern for others.	Lead to a sense of connectedness with others and feel a sense of satisfaction from 'giving' to others
Caring	Quran 2:177; 2:36; 93:9-10	The provision of what is necessary for the health, welfare, maintenance, and protection of someone or something. It is also defined as the work or practice of looking after those unable to care for themselves	Enhances good relationship and unity between employees and customers.
Generosity	Quran 34:39; 2:272	Generosity is the habit of giving without expecting anything in return. It can involve offering time, assets or talents to aid someone in need.	Develops a sense of happiness that lead to productive work
Autonomy	Quran 62:10; 67:15; Hadith Bukhārī 1471	Free from the influence, guidance, or control of a nother or others; self-reliant. It is also defined as not determined or influenced by someone or something else; or not contingent. In short, it is an individual's capacity for self-determination.	Reduces dependence on others and increases confidence
<i>Silaturrahīm</i> (kinship)	Quran 2:1; 47:22-23; Hadith Bukhārī 5983, 5991.	A feeling of being close or connected to other people. It is also refers to the web of social relationships that form an important part of the lives of most humans in most societies. In addition, it is also defined as system of social organization between people who are or are held to be biologically related or who are given the status of relatives by marriage, adoption, or other ritual. Kinship is the broad term for all the relationships that people are born into or create later in life that are considered binding in the eyes of society.	Broaden business networks and links
Purposefulness	Quran 38:27; 51:56; 98:5	The reason for which something is done or created or for which something exists.	Makes life more meaningful

Source: Isen & Levin,<sup>211</sup> Brainy Quotes,<sup>212</sup> Sablosky,<sup>213</sup> Merriam-Webster<sup>214</sup>

Islam encourages generosity as it will provide a positive impact to the *ummah* (society).

In Islam, it is expected that the more earnings that someone receives the more benefits

<sup>210</sup> Ghulam Sarwar, "Economic System of Islam," website *Angelfire.com*, retrieved on 14 June 2013, <http://www.angelfire.com/bc3/johnsonuk/eng/dawa/economic.html>.

<sup>211</sup> Alice M Isen and Paula F Levin, "Effect of Feeling Good on Helping: Cookies and Kindness," *Journal of personality and social psychology* 21, no. 3 (1972), 384.

<sup>212</sup> "Kindness," website *BrainyQuotes*, retrieved on 25 August 2014, <http://www.brainyquote.com/words/ki/kindness182475.html>.

<sup>213</sup> Roy Sablosky, "Does Religion Foster Generosity?," *The Social Science Journal* 0, no. 0 (1-11).

<sup>214</sup> "Kinship," website *Merriam-Webster*, retrieved on 23 August 2014, <http://www.merriam-webster.com/dictionary/kinship>.

that the society will receive. This for example can be reflected by the obligation of paying zakat. Every Muslim who owns wealth more than his needs must pay the fixed rate of zakat to the Islamic state. Zakat is a means of narrowing the gap between the rich and the poor. It helps the fair distribution of wealth. It is a form of social security.<sup>215</sup> The more wealth he/she owns the more zakat he/she pays. Other form of generosity in Islam is the kind of almsgiving called *ṣadaqah* and *infāq*. These forms can be achieved when a man has a state of kindness in his heart.

Muslim workers are expected to be caring, compassionate, benevolent and kind. They understand the concept of stakeholders (those who have a stake in a decision because they are affected by it) and they always consider the business, financial and emotional consequences of their actions on all stakeholders. They seek to accomplish their business objectives in a manner that causes the least harm and the greatest positive good. The relationship among aspects within the concepts of IWE can be explained through a diagram in Figure 2.1.

The diagram depicts the conceptual framework of work ethic in Islam. The IWE at the inner circle is surrounded by the core values of Islamic ethical system, *tawḥīd*, *khilāfah*, *‘adl*, *ikhtiyār*, and *fard*. These principles are the foundation of any Islamic socio-economic system. The next circle shows the dimensions of the Islamic ethical system that have evolved from the core values. For instance, the concept of religiousness is derived from the principle of *tawḥīd*. Similarly, work obligation is derived from the principle of *fard*, equality from the principle of *‘adl*, and so on.

The outer circle represents the Islamic ethical values that are implemented in the business transactions in accordance with Islamic jurisprudence (*fiqh*). These values

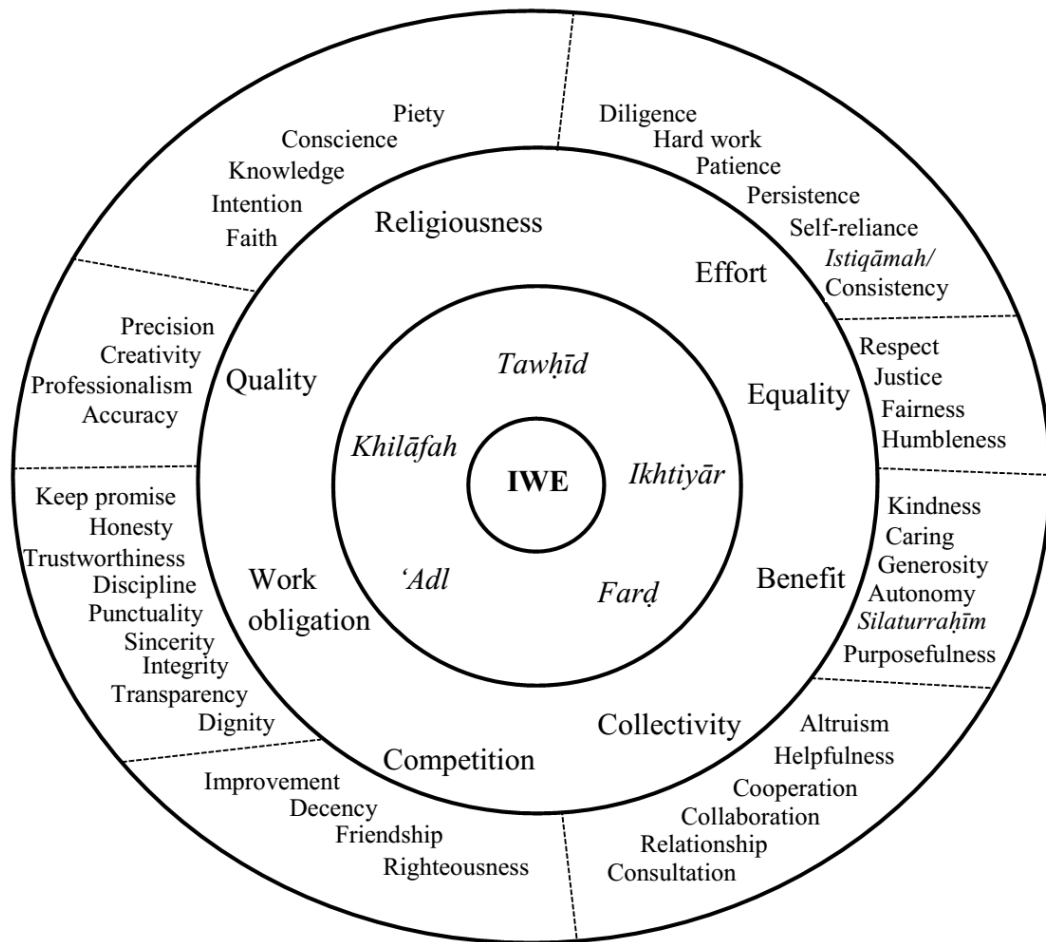
---

<sup>215</sup> *Ibid.*



provide a clear guideline for business transactions in Islamic economic system. All elements are interconnected to form a coherent model to measure the work ethics from an Islamic perspective.

Figure 2.1. Conceptual Framework of IWE



Source: Adapted from Khanifar, et al (2011)<sup>216</sup>

The IWE conceptual framework in the diagram illustrates the foundation of an Islamic socio-ethical system that is all encompassing and comprehensive. Implementation of such values, in adherence to the divine commandments will fulfill the purpose of sharia (*maqāṣid al-shari'ah*) of achieving good life (*hayyat tayyibah*) and well-being (*falah*) of society.

<sup>216</sup> Hossein Khanifar et al., "Identifying the Dimensions," 246-261.

## **2.6 Conclusion**

This chapter has provided the basic theory related to the field of research. This chapter has extracted the concept of work ethics from two main sources of Islamic religion, namely Quran and Hadith. The comprehensive discussion of IWE provided the answer for the first two questions and automatically fulfilled the first objective of this thesis. It has also given a full insight on the connection among factors discussed in this thesis such as the connection between the IWE and organizational performance including its indicators, namely job satisfaction, organizational commitment, turnover intention and customer satisfaction.

## CHAPTER III

### ORGANIZATIONAL PERFORMANCE AND ITS RELATIONSHIP WITH IWE

#### 3.1 Introduction

This chapter reviews related literatures pertinent to the objectives of the study. It focuses on the item of organizational performance particularly the non-financial factors such as job satisfaction, organizational commitment, turnover intention, and customer satisfaction. Each of these factors is comprehensively discussed in an independent subtitle. In later sections, this chapter discusses the indicators and antecedents of organizational performance that are found in many studies. Finally, in the last sections, this chapter discusses the connection between the IWE and the factors of organizational performance. The discussions provide justification on why such variables are utilized for this thesis. Based on that discussion, the development of hypothesis is also explained at the end of each section.

#### 3.2 Organizational Performance

In behavioral studies, the term of ‘organizational performance’ has been interchangeably used with several other terms such as organizational effectiveness, organizational health, organizational success, organizational efficiency, organizational productivity or excellence.<sup>1</sup> Some authors use the terms interchangeably,<sup>2</sup> often ostensibly in order to overcome terminological confusion. Others come up with additional labels, such as ‘organizational goodness’,<sup>3</sup> to encompass the above-

---

<sup>1</sup> Ursula Glunk and Celeste P. M. Wilderom, *Organizational Effectiveness= Corporate Performance? Why and How Two Research Traditions Need to be Merged* (Tilburg: Faculty of Economics and Business Administration, Tilburg University, 1996).

<sup>2</sup> For example: Rosabeth M. Kanter and D Brinkerhoff, "Organizational Performance: Recent Developments in Measurement," *Annual Review of Sociology* 7, no. 1 (1981), 321-349.

<sup>3</sup> Yehouda Shenhav, Sigal Alon, and Wesley Shrum, "'Goodness' Concepts in the Study of Organizations: A Longitudinal Survey of Four Leading Journals," *Organization Studies Organization Studies* 15, no. 5 (1994), 753-776.

mentioned terms. Additionally, some authors called it as 'business performance',<sup>4</sup> 'firm performance',<sup>5</sup> or 'corporate performance'.<sup>6</sup> These are a number of semantically performance-related terms. Of all the terms mentioned above, 'organizational performance' is the most common term that has been utilized in many studies.<sup>7</sup>

Measuring an organizational performance in a research is unique as it does not have one single approach. Over decades, the performance measurement has been altering due to the need of organizations and the way of people contemplates. In the period of 50s when organizations were viewed as a social system that fulfilled their objectives, the organizational performance was focusing on work, people and organizational structure.<sup>8</sup> Then, in the period of 60s and 70s, performance evaluation of an organization had been measured using new ways as organizations gained ability to exploit its environment for accessing and using the limited resources.<sup>9</sup> Further, the period of 80s and 90s were marked by the realization that the identification of organizational objectives was more complex than initially considered. Managers began to understand that the successful of an organization was achieved when the goals were accomplished effectively using available resources efficiently. In many organizational theories, an organization achieves its performance objectives based on the constraints imposed by the limited resources.<sup>10</sup>

In this context, profit or financial performance became one of the many indicators of performance. Most profit-oriented organizations used the rational goal approach—particularly financial performance—in measuring the performance of the companies.

---

<sup>4</sup> Abdus Sattar Abbasi, Kashif Ur Rehman, and Amna Bibi, "Islamic Work Ethics: How it Affcets Business Performance," *Actual Problem of Economics* 126, no. 12 (2011), 312-322.

<sup>5</sup> Celeste P. M. Wilderom and Peter T. van den Berg, *Firm Culture and Leadership as Firm Performance Predictors a Resource-based Perspective* (Tilburg: Tilburg University, 2000).

<sup>6</sup> Andy D. Neely, *Business Performance Measurement : Theory and Practice* (Cambridge [u.a.]: Cambridge Univ. Press, 2002).

<sup>7</sup> *Ibid.*

<sup>8</sup> Basil S. Georgopoulos and Arnold S. Tannenbaum, "A Study of Organizational Effectiveness," *American Sociological Review* 22, no. 5 (1957), 534-540.

<sup>9</sup> Stanley E. Seashore and Ephraim Yuchtman, "Factorial Analysis of Organizational Performance," *Administrative Science Quarterly* 12, no. 3 (1967), 377-395.

<sup>10</sup> Charles Lusthaus and Marie-Hélène Adrien, "Organizational Assessment: A Review of Experience," *Universalia Occasional Paper*, no. 31 (1998).

Within this context, the accounting-based assessments and market-based measures were considered appropriate. Profitability is the accounting-based measurement most often used, while stock market returns are broadly accepted as the market-based measurement.<sup>11</sup>

Notwithstanding the degree of reliability and accessibility of accounting-based measurement and the extent of comparability across various types of industries, critiques of using such measurement are: (1) a lack of consistency in corporate accounting methods, (2) a lack of standardization in international accounting conventions; an orientation to the past, and (3) a tendency to manipulate the numbers to create impressive results. In a similar vein, market-based measurement is not free from shortcomings, such as the assumption of a perfect market and a high percentage of unlisted firms. Further, business organizations are becoming complex webs of relationship among various interest claimants<sup>12</sup> and multiple partly conflicting goals exist within them. They are meant to fulfill the needs of various stakeholders (e.g. customers, suppliers, employees and the community), and not only shareholders. Thus, a rational goal approach has been challenged due to its limitation of capturing only the interests of shareholders,<sup>13</sup> consequently financial performance alone is no longer suitable as a performance measurement.<sup>14</sup>

The aforementioned literatures advocate that there is no single method is adequate in measuring the performance of an organization. Each measure partly suffers from operational and conceptual problems, gives limited perspective and conflict with one

---

<sup>11</sup> Ursula Glunk and Celeste P. M. Wilderom, *Organizational Effectiveness= Corporate Performance?*

<sup>12</sup> Anthony A. Atkinson, John H. Waterhouse, and Robert B. Wells, "A Stakeholder Approach to Strategic Performance Measurement," *Sloan management review* 38, no. 3 (1997), 25-37.

<sup>13</sup> Celeste P. M. Wilderom, Ursula Glunk, and R. Maslowski, "Organizational Culture as a Predictor of Organizational Performance.," in *Handbook of Organizational Culture & Climate*, ed. Neal M. Ashkanasy, Celeste Wilderom, and Peterson Mark F. (Thousand Oaks, Calif.: Sage Publications, 2000), 198-199.

<sup>14</sup> Amin Wibowo, "The Impact of Organizational Culture and Internal Corporate Governance on Organizational Performance in Indonesian Companies" (Doctoral Thesis, Curtin University of Technology, Australia, 2008), 299.

and another.<sup>15</sup> From methodological perspective, one also needs to consider the unidimensionality and convergent validity of the organizational performance measurement. For example, it is possible to have one company experiencing high growth but at the same time its profitability is in the difficult situation as experienced by many firms in embryonic and growth phase of life cycle. Uniting these measures into one construct or one latent variable could be problematic.<sup>16</sup>

It is for these reasons that multidimensional performance approaches, including non-financial, operational and perceptual performance indicators, have emerged.<sup>17</sup> Under the term of non-financial indicators, measurers such as market share, new product introduction, product quality, customer satisfaction, marketing effectiveness, job/employee satisfaction, manufacturing value-added, organizational commitment, turnover intention are among others widely used in many organizational studies.

Denison and Mishra<sup>18</sup>, for instance, asked respondents to compare their firm's performance relative to the performance of similar firms on the dimensions of profitability, sales growth, quality, employee satisfaction, new product development, budget achievement, market share and overall performance. In similar vein, Abbasi, Rehman and Bibi<sup>19</sup> utilized profit, welfare of employees and customer satisfaction in measuring the performance of telecom industry in Pakistan. Additionally, Gavrea, Ilieș, and Stegorean<sup>20</sup> used several variables to analyze performance of the sampled manufacturing firms in Romania. They divided the variables into two categories: (1) external environment reflected by competition, customers and suppliers; (2) internal

---

<sup>15</sup> Peter Doyle, "Setting Business Objectives and Measuring Performance," *European Management Journal* 12, no. 2 (1994), 123-132.

<sup>16</sup> Amin Wibowo, "The Impact of Organizational Culture," 299.

<sup>17</sup> Celeste P. M. Wilderom, Ursula Glunk, and R. Maslowski, "Organizational Culture," 198-199.; N. Venkatraman and Vasudevan Ramanujam, "Measurement of Business Performance in Strategy Research: A Comparison of Approaches," *The Academy of Management Review* 11, no. 4 (1986), 801-814.

<sup>18</sup> Daniel R. Denison and Aneil K. Mishra, "Toward a Theory of Organizational Culture and Effectiveness," *Organization Science* 6, no. 2 (1995), 204-223.

<sup>19</sup> Abdus Sattar Abbasi, Kashif Ur Rehman, and Amna Bibi, "Islamic Work Ethics," 312-322.

<sup>20</sup> Corina Gavrea, Liviu Ilieș, and Roxana Stegorean, "Determinants of Organizational Performance: the Case of Romania," *Management & Marketing* 6, no. 2 (2011), 285-300.

environment measured through strategy, leadership, employees, quality, innovation and development information technology and corporate governance. Further, Wilderom and Van den Berg<sup>21</sup> measured the degree of improvement needed by a firm using the dimensions of efficiency, customer satisfaction, managerial behavior, professional behavior, service quality, contact with clients, position in the market, and reputation. These dimensions have also been utilized by Amin Wibowo<sup>22</sup> in his Doctoral research thesis.

In regard to this thesis, the researcher appoints the non-financial indicators in measuring organizational performance of Islamic Banking Institutions (IBIs) in Aceh. In order to obtain a fair result, double-sided model (internal and external variables) as proposed by Gavrea, Ilieș, and Stegorean<sup>23</sup> are utilized. Internal variable is represented by employees, while the external is represented by customers. These two variables are considered very crucial in an organization. Employee is the dimension that is reflected in one form or another in all organizational diagnostic models. It is an aspect that reveals its importance to the success of an organization and a potentially detrimental effect on the general organizational performance.<sup>24</sup> Within the employee dimension, the factors such as job satisfaction, organizational commitment, and turnover intention, are among the determinant factor of organizational performance. Whilst, customer is the recipient of a good, service, product, or idea, obtained from an organization such as seller, vendor, or supplier for a monetary or other valuable consideration.<sup>25</sup> Many empirical facts have shown that the existence and continuance of an organization are

---

<sup>21</sup> Celeste P. M. Wilderom and Peter T. van den Berg, *Firm Culture and Leadership*.

<sup>22</sup> Amin Wibowo, "The Impact of Organizational Culture," 299.

<sup>23</sup> Corina Gavrea, Liviu Ilieș, and Roxana Stegorean, "Determinants of Organizational Performance," 285-300.

<sup>24</sup> Anselmo Ferreira Vasconcelos, "Internal Demarketing: Construct, Research Propositions and Managerial Implications," *Management & Marketing* 6, no. 1 (2011), 35-58.

<sup>25</sup> Richard C. Reizenstein, "Customer Satisfaction Research," in *Encyclopedia of Health Care Management*, ed. Michael J. Stahl (Thousand Oaks, CA: SAGE Publications, Inc, 2004), 122-123.; Stephanie D. Kendall, "Customer Service from the Customer's Perspective," in *Customer Service Delivery: Research and Best Practices*, ed. Lawrence Fogli, *The J-B SIOP Professional Practice Series* (San Francisco, CA: John Wiley and Sons, 2007), 3.

very much depending on its customers. Thus, winning the heart of customer is a very important in organizational practices. Among many ways, making the customer satisfied with service of organization is found to be essential. A satisfied customer is most likely to share their experience with about five or six other people<sup>26</sup> and contribute 2.6 times as much revenue to a company compares to an unsatisfied customer<sup>27</sup>.

### **3.3 Indicators and Antecedents of Organizational Performance**

As mentioned in previous sections, the measurement of an organizational performance can be assessed from many factors either financial and/or non-financial. Many studies have found that factors of profitability, sales growth, quality, product development, budget achievement, market share, efficiency, behavior, customer satisfaction, job satisfaction, organizational commitment, turnover intention and so forth become the indicators and antecedents that affect organizational performance. Therefore, in developing an instrument in measuring the organizational performance, these factors need to be considered. Table 3.1 shows some indicators and antecedents of organizational performance that are found in many researches.

The indicators utilized in performance measurements of organization vary among the authors depending on the need of their studies. Some indicators were employed as precursor of the performance while others were as the successor of performance. In regards to this thesis, a closer look at these studies shows that they have found strong relationships between organizational performance and job satisfaction, organizational commitment, turnover intention and customer satisfaction.

---

<sup>26</sup> Mohamed Zairi, "Managing Customer Satisfaction: A Best Practice Perspective," *The TQM Magazine* 12, no. 6 (2000), 389-394.

<sup>27</sup> John Coldwell, "Characteristics of a Good Customer Satisfaction Survey," in *Customer Relationship Management: Emerging Concepts, Tools, and Applications*, ed. Atul Parvatiyar, and G. Shainesh (New Delhi: Tata McGraw-Hill, 2001), 193-199.



Table 3.1 Indicators and Antecedents of Organizational Performance

<b>Variables</b>	<b>Authors</b>
Profitability	Denison & Mishra (1995); Abbasi, Rehman, & Bibi (2012)
Sales growth	Denison & Mishra (1995)
Quality	Denison & Mishra (1995); Gavrea, Ilieş, & Stegorean (2011)
New product development	Denison & Mishra (1995)
Budget achievement	Denison & Mishra (1995)
Market share/ Position in the market	Denison & Mishra (1995); Wilderom & Van den Berg (2000); Wibowo (2008)
Efficiency	Wilderom & Van den Berg (2000); Wibowo (2008)
Managerial behavior	Wilderom & Van den Berg (2000); Wibowo (2008)
Professional behavior	Wilderom & Van den Berg (2000); Wibowo (2008)
Service quality	Wilderom & Van den Berg (2000); Wibowo (2008)
Contact with client	Wilderom & Van den Berg (2000); Wibowo (2008)
Reputation	Wilderom & Van den Berg (2000); Wibowo (2008)
Organizational quality	Brady, Cronin, & Brand (2002)
Quality work life	Lau & May (1999)
Welfare of employees	Abbasi, Rehman, & Bibi (2012)
Organizational commitment	Mathieu & Zajac (1990); Cohen (1991); Allen & Meyer (1996); Mowday (1998); O'Malley, (2000); Riketta (2002).
Turnover intention	Liu (2011); Wang, Lee, & Ho (2012); Mohr, Young, & Burgess (2012)
Customer satisfaction	Goode & Moutinho (1995); Naser, Jamal, & Al-Khatib (1999); Wilderom & Van Den Berg (2000); Hoyer & MacInnis (2001); Brady, Cronin, & Brand (2002); Pinar, Rogers, & Baack (2003); Wibowo (2008); Gavrea, Ilieş, & Stegorean (2011); Abbasi, Rehman, & Bibi (2012)
Job satisfaction	Hezberg (1959); Denison & Mishra (1995); Osterman (1995); Lau & May (1999); Gavrea, Ilieş, & Stegorean (2011)
Competition	Gavrea, Ilieş, & Stegorean (2011)
Supplier	Gavrea, Ilieş, & Stegorean (2011)
Strategy	Gavrea, Ilieş, & Stegorean (2011)
Leadership	Gavrea, Ilieş, & Stegorean (2011)
Employee	Gavrea, Ilieş, & Stegorean (2011)
Quality	Gavrea, Ilieş, & Stegorean (2011)
Innovation and development of IT	Gavrea, Ilieş, & Stegorean (2011)
Corporate governance	Gavrea, Ilieş, & Stegorean (2011)

Source: Compilation from Related Literatures

Measuring organizational performance should be performed carefully as there is no such a fix way to do that. A nature of research has to be considered first to determine performance of an organization. As mentioned earlier, in this study, the performance is measured by using non-financial factors from internal and external organization as

proposed by Gavrea, Ilieș, and Stegorean<sup>28</sup>, namely employees and customers. For the employee variable, the performance is measured through job satisfaction, organizational commitment, and turnover intention; whilst customer satisfaction is used for the customer variable. Based on the Table 3.1, these factors are very crucial in measuring the performance of an organization as it is indicated by the large number of researchers utilized them in performance-related studies.

### 3.3.1 Job Satisfaction

In organizational behavior studies, the topic of job satisfaction is identified as one of significant topics as its relevance to the physical and emotional health of employees.<sup>29</sup> In fact, job satisfaction is a reflection of an individual's behavior that leads to attractive outcomes and is typically measured in degrees of multiple perceptions using multiple constructs or categories.<sup>30</sup> It is a construct that has been described, discussed, and researched for over sixty years. Over the years, scholars have defined job satisfaction in various ways.

For example, Hoppock<sup>31</sup> defined job satisfaction as “any combination of psychological, physiological, and environmental circumstances” that causes an employee to be satisfied with his/her job. Then, Locke<sup>32</sup> defined job satisfaction as “the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values”. Further, Spector<sup>33</sup> defined it as “how people feel about their jobs and different aspects of their jobs. It is the extent to which people like

---

<sup>28</sup> Corina Gavrea, Liviu Ilieș, and Roxana Stegorean, "Determinants of Organizational Performance," 285-300.

<sup>29</sup> Titus Oshagbemi, "Academics and Their Managers: a Comparative Study in Job Satisfaction," *Personnel Review* 28, no. 1/2 (1999), 108-123.

<sup>30</sup> Steven W. Schmidt, "The Relationship between Satisfaction with Workplace Training and Overall Job Satisfaction," *Human Resource Development Quarterly* 18, no. 4 (2007), 481-498.; Henk Thierry and A. M. Koopmann-Iawma, "Motivation and Satisfaction," in *Handbook of Work and Organizational Psychology: Organizational Psychology*, ed. Pieter J.D. Drenth, Henk Thierry, and Charles J. Wolff (Psychology Press, 1998), 131-175.

<sup>31</sup> Robert Hoppock, *Job Satisfaction* (New York: Harper & Brothers Publishers, 1935).

<sup>32</sup> Edwin A. Locke, "What is Job Satisfaction?," *Organizational Behavior and Human Performance* 4, no. 4 (1969), 309-336.

<sup>33</sup> Paul E. Spector, *Job Satisfaction: Application, Assessment, Causes, and Consequences* (Thousand Oaks, CA: Sage, 1997), 104.

or dislike their jobs". Overall, job satisfaction is associated with an employee's satisfaction from both psychological and physical perspectives. Thus, job satisfaction is recognized as a complex construct that includes both intrinsic and extrinsic factors.<sup>34</sup>

Herzberg, Mausner, and Snyderman<sup>35</sup> identified the intrinsic as derived from internally job-related rewards, such as recognition, achievement, work itself, advancement, and responsibility. Extrinsic factors result from externally environment-related rewards, such as salary, company policies and practices, technical aspects of supervision, interpersonal relations in supervision, and working conditions. All of these features are related to organizational culture. Based on these definitions, organizational culture can have a significant impact on employees' job satisfaction.

Job satisfaction may be viewed as a result of a behavioral cycle; likewise, it can be viewed as a cause of behavior, or it can be due to an evaluation of results that lead to a decision about what kind of changes need to be made.<sup>36</sup> Several studies have defined the antecedents of job satisfaction, including role stressors;<sup>37</sup> career orientation;<sup>38</sup> personal learning;<sup>39</sup> workplace training;<sup>40</sup> and organizational culture.<sup>41</sup> For example,

---

<sup>34</sup> Frederick Herzberg, Bernard Mausner, and Barbara B. Snyderman, *The Motivation to Work* (New Jersey: Transaction Publishers, 2011), 180.

<sup>35</sup> *Ibid.*

<sup>36</sup> Henk Thierry and A. M. Koopmann-Iawma, "Motivation and Satisfaction," 131-175.

<sup>37</sup> For example: Magid Igbaria and Tor Guimaraes, "Antecedents and Consequences of Job Satisfaction among Information Center Employees," *Journal of Management Information Systems* 9, no. 4 (1993), 145-174.

<sup>38</sup> For example: Tser-Yieth Chen, Pao-Long Chang, and Ching-Wen Yeh, "A Study of Career Needs, Career Development Programs, Job Satisfaction and the Turnover Intentions of R&D Personnel," *Career Development International* 9, no. 4 (2004), 424 - 437.; Mark E. McMurtrey et al., "Job Satisfaction of Information Technology Workers: The Impact of Career Orientation and Task Automation in a CASE Environment," *Journal of Management Information Systems* 19, no. 2 (2002), 273-302.

<sup>39</sup> For example: Melenie J. Lankau and Terri A. Scandura, "An Investigation of Personal Learning in Mentoring Relationships: Content, Antecedents, and Consequences," *The Academy of Management Journal* 45, no. 4 (2002), 779-790.

<sup>40</sup> For example: Diannah S. Lowry, Alan Simon, and Nell Kimberley, "Toward Improved Employment Relations Practices of Casual Employees in the New South Wales Registered Clubs Industry," *Human Resource Development Quarterly* 13, no. 1 (2002), 53-70.; Steven W. Schmidt, "The Relationship between Satisfaction," 481-498.

<sup>41</sup> For example: Jocelyn J. Johnson and Cherita L. McIntye, "Organizational Culture and Climate Correlates of Job Satisfaction," *Psychological Reports* 82, no. 3 (1998), 843-850.; Jill L. McKinnon et al., "Organizational Culture: Association with Commitment, Job Satisfaction, Propensity to Remain, and Information Sharing in Taiwan," *International Journal of Business Studies* 11, no. 1 (2003), 25-44.; Cheri Ostroff, "The Effects of Climate and Personal Influences on Individual Behavior and Attitudes in Organizations," *Organizational Behavior and Human Decision Processes* 56, no. 1 (1993), 56-90.

role stressors are a salient subject in IT literature and include role ambiguity and role conflict. Both have been identified as antecedents of job satisfaction for IT professionals, and their relationships have been negative.<sup>42</sup> Chen, Chang, and Yeh<sup>43</sup> proposed that a career development program might increase the level of job satisfaction and productivity among R&D professionals. Additionally, Lowry, Simon, and Kimberley<sup>44</sup> found that employees who received training opportunities showed more positive job satisfaction than those who had not. While Schmidt<sup>45</sup> investigated a sample of employees from customer and technical service in the U.S. and Canada and concluded that job training satisfaction and overall job satisfaction were positively correlated. Further, Johnson and McIntye<sup>46</sup> found that organizational culture that included empowerment, involvement, and recognition was related to job satisfaction. More recent, McKinnon, et al.<sup>47</sup> also confirmed that an organizational culture that values respect of people, innovation, stability, and aggressiveness resulted in a high level of job satisfaction and information sharing.

With respect to consequences, job satisfaction has been demonstrated to be a crucial predictor of turnover intention, organizational commitment, and absenteeism.<sup>48</sup> It may also be a link to performance.<sup>49</sup> Further, some researches have shown that it had

---

<sup>42</sup> Magid Igbaria and Tor Guimaraes, "Antecedents and Consequences of Job Satisfaction," 145-174.

<sup>43</sup> Tser-Yieth Chen, Pao-Long Chang, and Ching-Wen Yeh, "A Study of Career Needs," 424 - 437.

<sup>44</sup> Diannah S. Lowry, Alan Simon, and Nell Kimberley, "Toward Improved Employment," 53-70.

<sup>45</sup> Steven W. Schmidt, "The Relationship between Satisfaction," 481-498.

<sup>46</sup> Jocelyn J. Johnson and Cherita L. McIntye, "Organizational Culture and Climate," 843-850.

<sup>47</sup> Jill L. McKinnon et al., "Organizational Culture," 25-44.

<sup>48</sup> For example: Jack J. Baroudi, "The Impact of Role Variables on IS Personnel Work Attitudes and Intentions," *MIS Quarterly* 9, no. 4 (1985), 341-356.; Magid Igbaria and Tor Guimaraes, "Antecedents and Consequences of Job Satisfaction," 145-174.; Donald P. Moynihan and Sanjay K. Pandey, "Finding Workable Levers Over Work Motivation: Comparing Job Satisfaction, Job Involvement, and Organizational Commitment," *Administration & Society* 39, no. 7 (2007), 803-832.; Paul E. Spector, "Measurement of Human Service Staff Satisfaction: Development of the Job Satisfaction Survey," *American Journal of Community Psychology* 13, no. n/a (1985), 693-713.

<sup>49</sup> For example: Bruce E. May, R.S.M. Lau, and Stephen Johnson, "A Longitudinal Study of Quality of Work Life and Business Performance. (March 4, 2014). <http://www.highbeam.com/doc/1G1-59285147.html>," *South Dakota Business Review* 58, no. 2 (1999).; Paul Osterman, "Work/Family Programs and the Employment Relationship," *Administrative Science Quarterly* 40, no. 4 (1995), 681-700.

negative relationship with turnover intention<sup>50</sup> and absenteeism<sup>51</sup> which implied that higher satisfaction in job caused lower absenteeism and turnover intention. In the same vein, some other researchers examined the relationship between job satisfaction and productivity of R&D teams, and the results were highly positive,<sup>52</sup> as supported by Chen, Chang and Yeh<sup>53</sup>.

In general, job satisfaction is assessed in degrees and can be examined from multiple viewpoints using multiple constructs or scales.<sup>54</sup> For example, the Job Description Index (JDI), developed by Smith, Kendall, and Hulin<sup>55</sup>, defined five facets of a job: work, pay, promotion, supervision, and coworkers. Meanwhile, Spector<sup>56</sup> identified nine subscales for the Job Satisfaction Survey (JSS): pay, promotion, supervision, benefits, contingent rewards, operating conditions, coworkers, nature of work, and communication. The importance of each facet or subscale can be different to some extent; as a result, these facets or subscales may have varied significance when assessing overall job satisfaction.<sup>57</sup>

Job satisfaction means different things to different people as it is much related to motivation. People are motivated by different things to do different things. Some of the different dimensions or aspects of job satisfactions are (1) individual—such as education, intellect, age, and marital status, (2) social—such as working relation,

---

<sup>50</sup> For example: Karin Falkenburg and Birgit Schyns, "Work Satisfaction, Organizational Commitment and Withdrawal Behaviours," *Management Research News* 30, no. 10 (2007), 708-723.; Larry J. Williams and John T. Hazer, "Antecedents and Consequences of Satisfaction and Commitment in Turnover Models: A Reanalysis using Latent Variable Structural Equation Methods," *Journal of Applied Psychology* 71, no. 2 (1986), 219-231.

<sup>51</sup> For example: Karin Falkenburg and Birgit Schyns, "Work Satisfaction," 708-723.; Abraham Sagie, "Employee Absenteeism, Organizational Commitment, and Job Satisfaction: Another Look," *Journal of Vocational Behavior* 52, no. 2 (1998), 156-171.

<sup>52</sup> Robert T. Keller, Scott D. Julian, and Ben L. Kedia, "A Multinational Study of Work Climate, Job Satisfaction, and the Productivity of R&D Teams," *IEEE Transactions on Engineering Management* 43, no. 1 (1996), 48-55.

<sup>53</sup> Tser-Yieth Chen, Pao-Long Chang, and Ching-Wen Yeh, "A Study of Career Needs," 424 - 437.

<sup>54</sup> Steven W. Schmidt, "The Relationship between Satisfaction," 481-498.

<sup>55</sup> Patricia Cain Smith, Lorne M. Kendall, and Charles L. Hulin, *The Measurement of Satisfaction in Work and Retirement: a Strategy for the Study of Attitudes*, Rand McNally Psychology Series (Chicago: Rand McNally, 1969), 186.

<sup>56</sup> Paul E. Spector, "Measurement of Human Service," 693-713.

<sup>57</sup> Paul E. Spector, *Job Satisfaction*, 104.

interaction and informal association with colleagues; (3) cultural—such as one's beliefs, values, and religious factors; (3) organizational—such as size of organization, structure, employee-employer relationship, management abilities, leadership, and delegation authorities; and (4) environmental—such economic condition, social, technical, and government or political influences.<sup>58</sup>

As for differences, the job satisfaction in a workplace also relatively depends on how human perceives it and tends to be limitless. Islam, however, sets boundaries for the satisfaction to avoid greediness by unravelling between level of human satisfaction and the necessary level that need to be fulfilled. To establish job satisfaction, Islam does not put materialism as the main measurement tool. Worship is set as the main measurer, which is the extent on how an employee is able to ensure that his/her work can be counted as a form of *ibādah*.<sup>59</sup> This condition leads employee to be humble (*tawāḍu'*) and thus able to perform a job with *ikhlas* (sincerity), *ṣābar* (patience), and *syukur* (gratefulness). Having these factors at work, certain satisfaction will be derived as the result work output, not only from material but also from immaterial things. In the holy Quran, Allah SWT promises that those who were grateful will be rewarded with more amenities whereas the *kufur* will be punished harshly:

وَإِذْ تَأَذَّنَ رَبُّكُمْ لَئِنْ شَكَرْتُمْ لَأَزِيدَنَّكُمْ وَلَئِنْ كَفَرْتُمْ إِنَّ عَذَابِي  
لَشَدِيدٌ

Ibrāhīm 14:7

Translation: And when your Lord made it known: If you are grateful, I would certainly give to you more, and if you are ungrateful, My chastisement is truly severe.

<sup>58</sup> Amir Abou Elnaga, "Measuring Level of Job Satisfaction: A Study of Employees at Al-Islam Trading Company for Auto Spare Parts," *Journal of Management Research* 5, no. 1 (2013), 302-316.

<sup>59</sup> Azman Ismail et al., "Kaitan antara Kepuasan Kerja, Sikap terhadap Ganjaran Kewangan dan Keinginan untuk Berhenti Kerja Secara Sukarela: Pendekatan Empirikal dan Pendekatan Islam," *Jurnal Teknologi* 57, no. Sains Sosial (2012), 157-182.

Job satisfaction in Islam can also be observed within the context of *maqāṣid* shariah. Within this context, Islam is revealed to preserve five essential elements, religion (*al-dīn*), life (*al-naḥs*), intellect (*al-‘aql*), family (*al-nasl*) and wealth (*al-mal*).<sup>60</sup> Thus, if the employer manages to care these elements, the employees’ happiness (*al-sa‘adah*) could be achieved and it will certainly lead to job satisfaction<sup>61</sup>.

### 3.3.2 Organizational Commitment

Commitment comes into three categories, all of which impact employees’ behavior: job commitment, career commitment, and organizational commitment.<sup>62</sup> In this thesis, organizational commitment, which has been substantially researched, was considered. Organizational commitment is a multidimensional construct with antecedents and consequences varying across dimensions.<sup>63</sup> Over decades, research on organizational commitment has been continuously conducted due to of its link with individual/employee behavior, organizational performance, and organizational effectiveness.<sup>64</sup>

The definition of organizational commitment refers to “the strength of an individual’s identification with and involvement in a particular organization”.<sup>65</sup> According to

---

<sup>60</sup> Sharifah Hayaati Syed Ismail and Nor Azzah Kamri, "Pengurusan Aduan Menurut Perspektif Islam," in *Teras Pengurusan Islam*, ed. Siti Arni Basir (Shah Alam: INMIND (Institut Pemikiran Minda), 2012).

<sup>61</sup> Azman Ismail et al., "Kaitan antara Kepuasan Kerja," 157-182.

<sup>62</sup> Sandra L. Burud and Marie Tumolo, *Leveraging the New Human Capital Adaptive Strategies, Results Achieved, and Stories of Transformation* (Palo Alto, CA: Davies-Black Pub., 2004), 398.

<sup>63</sup> John P. Meyer and Natalie J. Allen, *Commitment in the Workplace: Theory, Research, and Application* (Thousand Oaks, CA: Sage, 1997).

<sup>64</sup> Natalie J. Allen and John P. Meyer, "Affective, Continuance, and Normative Commitment to the Organization: An Examination of Construct Validity," *Journal of Vocational Behavior* 49, no. 3 (1996), 252-276.; John E Mathieu and Dennis M Zajac, "A Review and Meta-Analysis of the Antecedents, Correlates, and Consequences of Organizational Commitment," *Psychological Bulletin* 108, no. 2 (1990), 171-194.; Richard T. Mowday, "Reflections on the Study and Relevance of Organizational Commitment," *Human Resource Management Review* 8, no. 4 (1998), 387-401.

<sup>65</sup> Lyman W. Porter et al., "Organizational Commitment, Job Satisfaction, and Turnover among Psychiatric Technicians," *Journal of Applied Psychology* 59, no. 5 (1974), 603-609.

Vandenberghe and Tremblay<sup>66</sup>, the model of organizational commitment proposed by Meyer and Allen<sup>67</sup> is the most popular and comprehensively validated multidimensional model which contained three components:

1. Affective commitment

It refers to employees' emotional attachment to, identification with, and involvement in the organization.

2. Continuance commitment

It refers to commitment based on the costs that employees associate with leaving the organization.

3. Normative commitment

It refers to employees' feelings of obligation to remain with the organization. Indeed, employees can experience each of these psychological states to varying degrees.

Consequently, Meyer and Allen argued that organizational commitment is "the view that commitment is a psychological state that (a) characterizes the employee's relationship with the organization, and (b) has implications of the decision to continue membership in the organization".<sup>68</sup> Antecedents to organizational commitment receiving consistent empirical support include demographic variables,<sup>69</sup> management

---

<sup>66</sup> Christian Vandenberghe and Michel Tremblay, "The Role of Pay Satisfaction and Organizational Commitment in Turnover Intentions: A Two-Sample Study," *Journal of Business and Psychology* 22, no. 3 (2008), 275-286.

<sup>67</sup> John P. Meyer and Natalie J. Allen, "A Three-Component Conceptualization of Organizational Commitment," *Human Resource Management Review* 1, no. 1 (1991), 61-89.

<sup>68</sup> *Ibid.*

<sup>69</sup> Magid Igbaria and Tor Guimaraes, "Antecedents and Consequences of Job Satisfaction," 145-174.; Sanghamitra Goswami, Mary Mathew, and N. K. Chadha, "Differences in Occupational Commitment amongst Scientists in Indian Defence, Academic, and Commercial R&D Organizations," *Vikalpa: The Journal for Decision Makers* 32, no. 4 (2007), 13-27.



support,<sup>70</sup> job and role characteristics,<sup>71</sup> and workplace training.<sup>72</sup> In a study examining management information system (MIS) professionals' organizational commitment, Igbaria and Greenhaus<sup>73</sup> found that age and tenure were positively related to organizational commitment. However, they also confirmed that education levels did not impact organizational commitment. Meanwhile, Tu, B. Ragunathan and T. Ragunathan<sup>74</sup> surveyed senior information system executives in the U.S. and concluded that management's support closely connected to organizational commitment, while role conflict and role ambiguity were moderately negatively related to organizational commitment.

Further, Smeenk et al.<sup>75</sup> investigated a sample of two groups (separatist: low managerial, and hegemonist: high managerial) of university faculty in Holland. They concluded that decentralization, compensation, training and development, job tenure, and career mobility were related to organizational commitment among separatist faculty. On the other hand, for the hegemonist faculty, age, organizational tenure, level of autonomy, working hours, social involvement, and personal importance were highly correlated with organizational commitment. Moreover, Bartlett's study of nurses in public U.S. hospitals demonstrated that employee attitudes toward training, such as

---

<sup>70</sup> Margaret F. Reid et al., "The Role of Mentoring and Supervisor Support for State IT Employees' Affective Organizational Commitment," *Review of Public Personnel Administration* 28, no. 1 (2008), 60-78.; Thomas A. DeCotiis and Timothy P. Summers, "A Path Analysis of a Model of the Antecedents and Consequences of Organizational Commitment," *Human Relations* 40, no. 7 (1987), 445-470.; Qiang Tu, Bhanu Ragunathan, and T. S. Ragunathan, "A Path Analytic Study of the Antecedents of Organizational Commitment of IS Managers," *Information Resources Management Journal (IRMJ)* 14, no. 3 (2001), 27-36.

<sup>71</sup> Sanghamitra Goswami, Mary Mathew, and N. K. Chadha, "Differences in Occupational Commitment," 13-27.; S. G. A. Smeenk et al., "The Effects of HRM Practices and Antecedents on Organizational Commitment among University Employees," *The International Journal of Human Resource Management* 17, no. 12 (2006), 2035-2054.

<sup>72</sup> For example: Kamarul Zaman Ahmad and Raida Abu Bakar, "The Association between Training and Organizational Commitment among White-collar Workers in Malaysia," *International Journal of Training and Development* 7, no. 3 (2003), 166-185.; Kenneth R. Bartlett, "The Relationship between Training and Organizational Commitment: A Study in the Health Care Field," *Human Resource Development Quarterly* 12, no. 4 (2001), 335-352.

<sup>73</sup> Magid Igbaria and Jeffrey H Greenhaus, "Determinants of MIS Employees' Turnover Intentions: A Structural Equation Model," *Communications of the ACM* 35, no. 2 (1992), 34-49.

<sup>74</sup> Qiang Tu, Bhanu Ragunathan, and T. S. Ragunathan, "A Path Analytic Study," 27-36.

<sup>75</sup> S. G. A. Smeenk et al., "The Effects of HRM Practices," 2035-2054.

perceived access to training, social support for training, motivation to learn, and perceived benefits of training were highly associated with organizational commitment.<sup>76</sup> Likewise, Kontoghiorghes and Bryant<sup>77</sup> found a correlation between training effectiveness and organizational commitment.

Regarding consequences, O'Malley<sup>78</sup> proposed some positive outcomes: a strong organizational commitment confers on business, enhanced employee retention, organizational citizenship behavior (OCB)—which “is behavior by an employee intended to help coworkers or the organization”—and improved organizational performance. With respect to employee retention, many studies have focused on turnover or turnover intention. For instance, Thatcher, Stepina, and Boyle<sup>79</sup> investigated information technology (IT) workers from public sectors in the U.S. Their results indicated that organizational commitment had a negative relationship with turnover intention.

Regarding OCB in a study of the behavior of IT professionals, Pare and Tremblay<sup>80</sup> concluded that IT professionals who exhibited a strong affective commitment toward their organizations were more likely to show organization citizenship behavior than those with a low level of affective commitment or a high level of continuance commitment. From the perspective of performance, Alvesson<sup>81</sup> contended that, if an organization creates high levels of organizational commitment, then knowledge generation and acquisition appropriation are successful. In a similar vein, results of a

---

<sup>76</sup> Kenneth R. Bartlett, "The Relationship between Training and Organizational Commitment: A Study in the Health Care Field," 335-352.

<sup>77</sup> Constantine Kontoghiorghes and Nancy Bryant, "Exploring Employee Commitment in a Service Organization in the Health Care Insurance Industry," *Organization Development Journal* 22, no. 3 (2004).

<sup>78</sup> Michael O'Malley, *Creating Commitment: How to Attract and Retain Talented Employees by Building Relationships That Last* (New York: John Wiley & Sons, 2000), 259.

<sup>79</sup> Jason Bennett Thatcher, Lee P Stepina, and Randall J Boyle, "Turnover of Information Technology Workers: Examining Empirically the Influence of Attitudes, Job Characteristics, and External Markets," *Journal of Management Information Systems* 19, no. 3 (2003), 231-261.

<sup>80</sup> Guy Paré and Michel Tremblay, "The Influence of High-Involvement Human Resources Practices, Procedural Justice, Organizational Commitment, and Citizenship Behaviors on Information Technology Professionals' Turnover Intentions," *Group & Organization Management* 32, no. 3 (2007), 326-357.

<sup>81</sup> Mats Alvesson, "Knowledge Work: Ambiguity, Image and Identity," *Human Relations* 54, no. 7 (2001), 863-886.

meta-analysis of 93 commitment studies from 1975 to 2001 supported the results of Cohen<sup>82</sup>, Mathieu and Zajac<sup>83</sup>, and Riketta<sup>84</sup> that affective organizational commitment has a positive relationship with in-role performance (required duties) and extra-role performance (duties assumed beyond what is required).

In Islamic perspective, organizational commitment is related to the concept of *iltizām*, which literally means commitment. This concept views all human activities including work as a form of *‘ibadah* (worshipping Allah).<sup>85</sup> Thus, when a Muslim employee signed a job contract with an organization, he/she has tied him/herself to the organization. Consequently, the employee should be committed to the organization including its assigned jobs as long as do not contradict with the Islamic teachings. This commitment should be based on a good intention to provide nourishment for oneself and family. Within this condition, the work is then can be considered as *‘ibādah*. In Islamic banking sector, commitment to organization is compulsory as a main requirement to operate the business. Committed employees are needed to represent the bank and deliver the messages—in term of its Islamic operational—to the customers.

As it is understood that the operation of Islamic banking is heavily based on Islamic teachings, all things consider Islamic banking should always represent the religion of Islam. In its activities, Islamic banking avoids *tadlīs* (fraud), *gharār* (specious), and *ribā* (usury). Consequently, when dealing with customers, a committed employee is expected to provide full and complete information so that both parties have symmetric information on a product/service they desire. In addition, a committed employee is also expected to have certain knowledge on the concept of Islamic banking so that he/she

---

<sup>82</sup> Aaron Cohen, "Career Stage as A Moderator of The Relationships between Organizational Commitment and Its Outcomes: A Meta-Analysis," *Journal of Occupational Psychology* 64, no. 3 (1991), 253-268.

<sup>83</sup> John E Mathieu and Dennis M Zajac, "A Review and Meta-Analysis," 171-194.

<sup>84</sup> Michael Riketta, "Attitudinal Organizational Commitment and Job Performance: A Meta-Analysis," *Journal of Organizational Behavior* 23, no. 3 (2002), 257-266.

<sup>85</sup> Ali Muhammad Khalil Ash-Shafti, *Iltizam: Membangun Komitmen Seorang Muslim*, trans. Abdul Hayyie al Kattani, and Sabaruddin (Jakarta: Gema Insani Press, 2003), 124.

will not compromise when encounter *tadlīs*, *gharār*, and *ribā* in the products and services of Islamic banking.

### 3.3.3 Turnover Intention

Turnover intention is a valuable concept as it is linked with actual turnover behavior<sup>86</sup>. Due to many external factors affecting turnover behavior, turnover is much more difficult to predict than turnover intention<sup>87</sup>. Numerous studies have examined turnover intention in multiple disciplines and often explored the inverse relationship to job satisfaction and organizational commitment<sup>88</sup>.

Turnover intention has been identified as the most common predictor of turnover. Price<sup>89</sup> defined turnover as “the degree of individual movement across the membership boundary of a social system”. Abassi and Hollman<sup>90</sup> described the meaning of employee turnover as the rotation of workers around the labor market; between companies, jobs, and occupations; and between the situations of employment and unemployment. According to Fishbein and Ajzen<sup>91</sup>, “the best single predictor of an individual’s behavior will be a measure of his/her intention to perform that behavior”. In fact, turnover can be divided into voluntary and involuntary. Price<sup>92</sup> indicated that most studies focus on voluntary turnover rather than involuntary turnover, and the subject of

---

<sup>86</sup> Robert P Steel and Nestor K Ovalle, "A Review and Meta-Analysis of Research on the Relationship Between Behavioral Intentions and Employee Turnover," *Journal of Applied Psychology* 69, no. 4 (1984), 673.

<sup>87</sup> Allen C. Bluedorn, "A Unified Model of Turnover from Organizations," *Human Relations* 35, no. 2 (1982), 135-153.

<sup>88</sup> For example: Charles H Schwenker Jr, "Ethical Climate's Relationship to Job Satisfaction, Organizational Commitment, And Turnover Intention in the Salesforce," *Journal of Business Research* 54, no. 1 (2001), 39-52.; Robert P Tett and John P Meyer, "Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta-Analytic Findings," *Personnel Psychology* 46, no. 2 (1993), 259-293.; and Larry J Williams and John T Hazer, "Antecedents and Consequences of Satisfaction and Commitment in Turnover Models: A Reanalysis using Latent Variable Structural Equation Methods," *Journal of Applied Psychology* 71, no. 2 (1986), 219.

<sup>89</sup> James L Price, *The Study of Turnover* (Iowa State University Press Ames, 1977), 160.

<sup>90</sup> Sami M Abbasi and Kenneth W Hollman, "Turnover: the Real Bottom Line," *Public Personnel Management* 29, no. 3 (2000), 333-342.

<sup>91</sup> Martin Fishbein and Icek Ajzen, *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research* (Reading, MA: Addison-Wesley, 1975), 578.

<sup>92</sup> James L Price, *The Study of Turnover*, 160.

voluntary turnover is more meaningful and controllable for managers. Thus, Mobley<sup>93</sup> defined turnover intention as the intention to leave a job on a voluntary basis. It also can be defined as “the intention to voluntarily change companies or to leave the labor market altogether”<sup>94</sup>.

The turnover intention literature has examined the effects on turnover intention of various predictors, including demographic factors, employee attitudes, and human resource (HR) practices. First, demographic factors include gender, age, organizational tenure, education level, and family size. Chen and Francesco<sup>95</sup> found that age and tenure display a consistently negative relationship to turnover intentions, and Thatcher et al.<sup>96</sup> confirmed that female IT workers had a higher level of turnover intention than male IT workers. Second, Williams and Hazer<sup>97</sup> reviewed several turnover models and found that employee attitudes, including both job satisfaction and organizational commitment, were important antecedents of turnover intentions. They also demonstrated that the two variables were negatively related to turnover intention. These results have been supported by several empirical studies showing that both variables were direct antecedents of turnover intention in different job types, such as human service workers<sup>98</sup>; hospital workers,<sup>99</sup> IT personnel,<sup>100</sup> and engineering staffs.<sup>101</sup>

---

<sup>93</sup> William H Mobley, "Intermediate Linkages in the Relationship between Job Satisfaction and Employee Turnover," *Journal of Applied Psychology* 62, no. 2 (1977), 237.

<sup>94</sup> Karin Falkenburg and Birgit Schyns, "Work Satisfaction," 708-723.

<sup>95</sup> Zhen Xiong Chen and Anne Marie Francesco, "Employee Demography, Organizational Commitment, and Turnover Intentions in China: Do Cultural Differences Matter?," *Human Relations* 53, no. 6 (2000), 869-887.

<sup>96</sup> Jason Bennett Thatcher et al., "IT Worker Turnover: An Empirical Examination of Intrinsic Motivation," *ACM SIGMIS Database* 37, no. 2-3 (2006), 133-146.

<sup>97</sup> Larry J. Williams and John T. Hazer, "Antecedents and Consequences," 219-231.

<sup>98</sup> For example: Michàl E Mor Barak, Jan A Nissly, and Amy Levin, "Antecedents to Retention and Turnover among Child Welfare, Social Work, and Other Human Service Employee: What Can We Learn from Past Research? A Review and Meta-Analysis," *Social service review* 75, no. 4 (2001), 625-661.

<sup>99</sup> For example: Cherng G Ding and Chieh-Peng Lin, "Comparing the Effects of Determinants of Turnover Intentions Between Taiwanese and U.S. Hospital Employees," *Human Resource Development Quarterly* 17, no. 4 (2006), 403-421.

<sup>100</sup> For example: Magid Igbaria and Jeffrey H Greenhaus, "Determinants of MIS," 34-49.

<sup>101</sup> Cheri Ostroff, "The Relationship between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis," *Journal of Applied Psychology* 77, no. 6 (1992), 963.

However, some researches<sup>102</sup> have also found that job satisfaction through organizational commitment was an indirect predictor of turnover. Further, several previous studies on predicting turnover intention using HR practices,<sup>103</sup> training opportunities<sup>104</sup> and career orientation<sup>105</sup> targeted highly skilled workers, such as IT professionals, engineers, or R&D professionals. In Pare and Tremblay's study<sup>106</sup> on IT professionals, they found that HR practices, such as recognition, competence development, fair rewards, and information sharing had a negative impact on turnover intention. Chen, Chang, and Yeh<sup>107</sup> demonstrated that closing the gap between career needs and career development programs strongly reduced turnover intention and highly increased job satisfaction of R&D professionals in Taiwan.

A number of studies such as Abrams, Ando and Hinkle<sup>108</sup>, Lee and Mowday<sup>109</sup>, Michaels and Spector<sup>110</sup>, Mobley<sup>111</sup>, and Thatcher, Stepina and Boyle<sup>112</sup> have indicated

---

<sup>102</sup> See: James Deconinck and Duane Bachmann, "The Impact of Equity Sensitivity and Pay Fairness on Marketing Managers' Job Satisfaction, Organizational Commitment and Turnover Intentions," *Marketing Management Journal* 17, no. 2 (2007).; Rodger W. Griffeth, Peter W. Hom, and Stefan Gaertner, "A Meta-Analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implications for the Next Millennium," *Journal of Management Development* 26, no. 3 (2000), 463-488.; John P. Meyer and Natalie J. Allen, *Commitment in the Workplace: Theory, Research, and Application*.; Charles H Schwepker Jr, "Ethical Climate's," 39-52.

<sup>103</sup> See: David G Allen, Lynn M Shore, and Rodger W Griffeth, "The Role of Perceived Organizational Support and Supportive Human Resource Practices in the Turnover Process,," *Journal of Management* 29, no. 1 (2003), 99-118.; Bård Kuvaas, "An Exploration of How the Employee-Organization Relationship Affects the Linkage between Perception of Development Human Resource Practices and Employee Outcomes," *Journal of Management Studies* 45, no. 1 (2008), 1-25.; Sean A Way, "High Performance Work Systems and Intermediate Indicators of Firm Performance within the US Small Business Sector," *Journal of Management* 28, no. 6 (2002), 765-785.

<sup>104</sup> See: Anders Dysvik and Bård Kuvaas, "The Relationship between Perceived Training Opportunities, Work Motivation and Employee Outcomes," *International Journal of Training and Development* 12, no. 3 (2008), 138-157.; Bård Kuvaas, "An Exploration of How," 1-25.; Jeffrey Pfeffer and Robert I Sutton, "Evidence-Based Management," *Harvard Business Review* 84, no. 1 (2006), 62.

<sup>105</sup> Jae Yoon Chang, Jin Nam Choi, and Myung Un Kim, "Turnover of Highly Educated R&D Professionals: The Role of Pre-Entry Cognitive Style, Work Values and Career Orientation," *Journal of Occupational and Organizational Psychology* 81, no. 2 (2008), 299-317.

<sup>106</sup> Guy Paré and Michel Tremblay, "The Influence of High-Involvement," 326-357.

<sup>107</sup> Tser-Yieth Chen, Pao-Long Chang, and Ching-Wen Yeh, "A Study of Career Needs," 424 - 437.

<sup>108</sup> Dominic Abrams, Kaori Ando, and Steve Hinkle, "Psychological Attachment to the Group: CrossCultural Differences in Organizational Identification and Subjective Norms as Predictors of Workers' Turnover Intentions," *Personality and Social Psychology Bulletin* 24, no. 10 (1998), 1027-1039.

<sup>109</sup> Thomas W Lee and Richard T Mowday, "Voluntarily Leaving an Organization: An Empirical Investigation of Steers and Mowday's Model of Turnover," *Academy of Management journal* 30, no. 4 (1987), 721-743.

<sup>110</sup> Charles E Michaels and Paul E Spector, "Causes of Employee Turnover: A Test of the Mobley, Griffeth, Hand, and Meglino Model," *Journal of Applied Psychology* 67, no. 1 (1982), 53.

<sup>111</sup> William H. Mobley, *Employee Turnover, Causes, Consequences, and Control* (Reading, MA: Addison-Wesley, 1982).

<sup>112</sup> Jason Bennett Thatcher, Lee P Stepina, and Randall J Boyle, "Turnover of Information," 231-261.

that the direct cognitive consequence of turnover intention was turnover. Because the employees have already quitted the job and left the organization, it is normally difficult to measure actual turnover.<sup>113</sup> Therefore, turnover intention can be used as a predictor of turnover. Based on studies of Joseph et al.<sup>114</sup> and Thatcher, Stepina and Boyle<sup>115</sup>, turnover intentions had a positive relationship with actual turnover behavior for IT professionals.

In regard to performance of organization, various studies have indicated the relationship between turnover intention and organizational performance. Egan, Yang, and Bartlett<sup>116</sup>, for instance, found that there was a significant relationship between work performances and turnover intention of employees. Further, Wang, Lee, and Ho<sup>117</sup> found that turnover intention of employees exhibited negative effects on the operating performances of listed property companies in Taiwan. This finding was also supported by Mohr, Young and Burgess Jr<sup>118</sup> in a study in a health-care system in the US. However, some studies such as Oldham and Cummings<sup>119</sup>, and Shore and Martin<sup>120</sup> found that that there was no significant correlation between work performances and turnover intention. It is widely believed that voluntary turnover adversely affects an

---

<sup>113</sup> Ranida B Harris, Kenneth J Harris, and Paul Harvey, "An Examination of The Impact of Supervisor on the Relationship between Job Strains and Turnover Intention for Computer Workers," *Journal of Applied Social Psychology* 38, no. 8 (2008), 2108-2131.; Rodger W. Griffeth, Peter W. Hom, and Stefan Gaertner, "A Meta-Analysis of Antecedents and Correlates of Employee Turnover," 463-488.

<sup>114</sup> Damien Joseph et al., "Turnover of Information Technology Professionals: A Narrative Review, Meta-Analytic Structural Equation Modeling, and Model Development," *MIS Quarterly* 31, no. 3 (2007), 547-577.

<sup>115</sup> Jason Bennett Thatcher, Lee P Stepina, and Randall J Boyle, "Turnover of Information," 231-261.

<sup>116</sup> Toby Marshall Egan, Baiyin Yang, and Kenneth R Bartlett, "The Effects of Organizational Learning Culture and Job Satisfaction on Motivation to Transfer Learning and Turnover Intention," *Human Resource Development Quarterly* 15, no. 3 (2004), 279-301.

<sup>117</sup> Gao-Liang Wang, Yu-Je Lee, and Chuan-Chih Ho, "The Effects of Job Satisfaction, Organizational Commitment and Turnover Intention on Organizational Operating Performance: As Exemplified with Employees of Listed Property Insurance Companies in Taiwan," *Research in Business and Management* 1, no. 83 (2012), 82.

<sup>118</sup> David C Mohr, Gary J Young, and James F Burgess Jr, "Employee Turnover and Operational Performance: The Moderating Effect of Group-Oriented Organizational Culture," *Human Resource Management Journal* 22, no. 2 (2012), 216-233.

<sup>119</sup> Greg R Oldham and Anne Cummings, "Employee Creativity: Personal and Contextual Factors at Work," *Academy of Management journal* 39, no. 3 (1996), 607-634.

<sup>120</sup> Lynn McFarlane Shore and Harry J Martin, "Job Satisfaction and Organizational Commitment in Relation to Work Performance and Turnover Intentions," *Human Relations* 42, no. 7 (1989), 625-638.

organization's ability to perform<sup>121</sup>. Not only are there the direct cost of recruiting and training a new team member but also the consequential losses in organizational efficiency, corporate knowledge and business culture. It is far better to retain employees than expense the cost of recruiting and training<sup>122</sup>.

In addition, certain religious satisfaction factors have been identified as the antecedents of turnover. In Islamic religion, for instance, worship is set as the main measurer of satisfaction that lead to turnover. Worship in term of Islamic religious matters are performing *ṣalāt* in time, covering 'aurat at workplace, performing *ḥajj* for those who are able to do so, adjusting work length during Ramaḍan, and so on<sup>123</sup>. When a Muslim employee feels his/her company has accommodated his/her worship, inner satisfaction will be fulfilled; and thus intention to leave the organization is reducing. In contrast, Islam also encourages people to leave (*hijrah*) if the conditions in their organizations are not conducive in term of religious matters. This action should be conducted with a good intention to pursue the better condition for themselves, families, and societies. In Islam, having good intention is important in all actions and people will be rewarded based on that. In addition to the financial factors, this element should be considered in discussing the turnover intention in Islamic institutions<sup>124</sup>, particularly the well-established institutions like IBIs. In a hadith narrated by Umar ibn al-Khattab r.a., the Prophet s.a.w. said:

إِنَّمَا الْأَعْمَالُ بِالنِّيَّاتِ، وَإِنَّمَا لِكُلِّ امْرِئٍ مَّا نَوَى...

Translation: The reward of deeds depends upon the intentions and every person will get the reward according to what he has intended...<sup>125</sup>

---

<sup>121</sup> Peter W. Hom and Rodger W. Griffeth, "Structural Equations Modeling Test of a Turnover Theory: Cross-sectional and Longitudinal Analyses," *Journal of Applied Psychology* 76, no. 3 (1991), 350-366.

<sup>122</sup> Terence R. Mitchell et al., "Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover," *The Academy of Management Journal* 44, no. 6 (2001), 1102-1121.

<sup>123</sup> Azman Ismail et al., "Kaitan antara Kepuasan Kerja," 157-182.

<sup>124</sup> *Ibid.*

<sup>125</sup> Hadith narrated by al-Bukhārī, *The Book of Revelation (Kitab Waḥyu)*, Chapter 1 How the Divine Revelation Started to be Revealed to Allah's Messenger, hadith no. 1. See: Abū 'Abd Allāh Muḥammad ibn Ismā'īl al-Bukhārī, *Sahih al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 2 and 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997), 45.



The measurement of turnover intention can be divided into two phases: (1) assessing the participants' intent, desire, and plan to leave the organization, and (2) measuring the participants' intent to search for another job and plan to quit. High scores indicate that participants have stronger intentions to leave the organization.<sup>126</sup> Over decades, many measurement models of turnover intention have been developed, but not many of them can be validated in further studies. One of few measurer of turnover intention that has been validated in many studies<sup>127</sup> is the Staying or Leaving Index (SLI) proposed by Bluedorn<sup>128</sup>.

In a meta-analysis of turnover studies conducted by Griffeth, Hom and Gaertner<sup>129</sup>, they found that the SLI was common in organizational research and has consistently maintained reliability and construct validity. Moreover, a variation of this instrument has been used in numerous studies to measure different employees' intention to leave, and has had good reliability<sup>130</sup>. Another measurer of turnover intention was developed by Kim et al.<sup>131</sup> which was incorporated in a causal model to examine the determinants of the career intent among physicians at U.S. Air Force Hospital. This measurer has been validated and adopted by some studies such as Lewis<sup>132</sup> and Currivan<sup>133</sup>. As these

---

<sup>126</sup> Karin Falkenburg and Birgit Schyns, "Work Satisfaction," 708-723.

<sup>127</sup> Jeffrey K. Sager, Rodger W. Griffeth, and Peter W. Hom, "A Comparison of Structural Models Representing Turnover Cognitions," *Journal of Vocational Behavior* 53, no. 2 (1998), 254-273.

<sup>128</sup> Allen C. Bluedorn, "The Theories of Turnover: Causes, Effects, and Meaning," in *Research in the Sociology of Organizations: A Research Annual*, ed. Samuel B. Bacharach (Greenwich, CT: JAI Press Inc, 1982), 75-128.

<sup>129</sup> Rodger W. Griffeth, Peter W. Hom, and Stefan Gaertner, "A Meta-Analysis of Antecedents and Correlates of Employee Turnover," 463-488.

<sup>130</sup> For example: Xiao-Ping Chen et al., "Group Citizenship Behavior: Conceptualization and Preliminary Tests of its Antecedents and Consequences," *Management and Organization Review* 1, no. 2 (2005), 273-300.; Chou-Kang Chiu et al., "Modeling Turnover Intentions and Their Antecedents using the Locus of Control as a Moderator: A Case of Customer Service Employees," *Human Resource Development Quarterly* 16, no. 4 (2005), 481-499.; Mark W Johnston et al., "A Longitudinal Assessment of the Impact of Selected Organizational Influences on Sales People's Organizational Commitment during Early Employment," *Journal of Marketing Research*, no. 1990, 333-344.

<sup>131</sup> Sang-Wook Kim et al., "The Determinants of Career Intent Among Physicians at a U.S. Air Force Hospital," *Human Relations* 49, no. 7 (1996), 947-976.

<sup>132</sup> Maximillian Lewis, "Causal Factors that Influence Turnover Intent in a Manufacturing Organisation" (Master's Thesis, University of Pretoria, 2008), 178.

<sup>133</sup> Douglas B. Currivan, "The Causal Order of Job Satisfaction and Organizational Commitment in Models of Employee Turnover," *Human Resource Management Review* 9, no. 4 (1999), 495-524.

measurers are general in nature, they can be applied and tested in almost all industries including Islamic banking. Thus, the combination of Bluedorn's SLI and Kim's causal model are considered suitable to the nature of this study.

### **3.3.4 Customer Satisfaction**

Over times, the importance of customer orientation and its impact on organizational performance has been highlighted in numerous studies. In this category, the study conducted by Brady, Cronin Jr and Brand,<sup>134</sup> for instance, demonstrated that customer orientation linked indirectly with organizational quality, customer satisfaction and performance of the organization. Similarly, in a study at Turkish companies, Pinar, Rogers and Baak<sup>135</sup> found that there were significant differences between firms characterized by a greater orientation towards customers and firms characterized by lower customer orientation. The first category of firms, showed noticeably higher performance than the latter.

According to Zairi<sup>136</sup>, the customers are the reasons an organization exist and thus, an organization is very much depending on its customers rather than the customers depending on organizations. Customer satisfaction has become the crucial factors in the current business strategy and is viewed as the main element within the company, particularly for a competitive marketplace where businesses competing for customers<sup>137</sup>. That is the main reason why organizations today are focusing on customer satisfaction which includes loyalty and retention<sup>138</sup>.

---

<sup>134</sup> Michael K Brady, J Joseph Cronin Jr, and Richard R Brand, "Performance-Only Measurement of Service Quality: A Replication and Extension," *Journal of Business Research* 55, no. 1 (2002), 17-31.

<sup>135</sup> Musa Pinar, Jerry D Rogers, and Donald Baak, "A Comparison of High vs. Low Market Orientation Companies: A Case of Turkey," *Journal of Global Awareness* 4, no. 1 (2003), 89-104.

<sup>136</sup> Mohamed Zairi, "Managing Customer Satisfaction," 389-394.

<sup>137</sup> Philip Kotler and Gary Armstrong, *Principles of Marketing*, 13<sup>th</sup> ed. (Prentice Hall, 2009), 744.

<sup>138</sup> Harkiranpal Singh, "The Importance of Customer Satisfaction in Relation to Customer Loyalty and Retention," *Academy of Marketing Science* 60, no. 2006, 193-225.

Satisfaction is defined as “an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire”<sup>139</sup>. Further, Kotler<sup>140</sup> defined satisfaction as “a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”. Additionally, Hoyer and MacInnis<sup>141</sup> claimed that satisfaction can be associated with feelings of acceptance, happiness, relief, excitement, and delight. Customer satisfaction is a concept to determine of how the products or services delivered meet or exceed customer expectation. In business environment, customer satisfaction is considered as the key factor to succeed. It has become the important element of business strategy, particularly in a competitive marketplace where businesses competing for customers<sup>142</sup>.

The satisfaction factors will usually lead customers to loyalty and retention. Loyalty, according to Anderson and Jacobsen,<sup>143</sup> “is actually the result of an organization creating a benefit for a customer so that they will maintain or increase their purchases from the organization. It is in fact a deeply held commitment of customers to prefer products or services of a particular organization in future despite situational constraints or marketing influences to cause the switching behavior. Moreover true customer loyalty is created when customers become advocate of an organization without any incentive<sup>144</sup>. Meanwhile, customer retention is defined as “the practice of working to satisfy customers with the intention of developing long-term relationships with

---

<sup>139</sup> Ove C Hansemark and Marie Albinsson, "Customer Satisfaction and Retention: The Experiences of Individual Employees," *Managing Service Quality* 14, no. 1 (2004), 40-57.

<sup>140</sup> Philip Kotler, *Marketing Management*, 10<sup>th</sup> ed. (New Jersey: Prentice-Hall, 1999).

<sup>141</sup> Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 5th ed. (Mason, Ohio: South-Western Cengage Learning, 2008), 493.

<sup>142</sup> Philip Kotler and Gary Armstrong, *Principles of Marketing*, 744.

<sup>143</sup> Henrik Anderson and PN Jacobsen, "Creating Loyalty: Its Strategic Importance in Your Customer Strategy," in *Customer Relationship Management*, ed. S. A. Brown (Ontario: John Wiley, 2000), 55-67.

<sup>144</sup> Richard L Oliver, *Satisfaction: A Behavioral Perspective on the Consumer* (ME Sharpe, 2010), 519.

them”<sup>145</sup>. Additionally, Zineldin<sup>146</sup> defined retention as “a commitment to continue to do business or exchange with a particular company on an ongoing basis”.

Measuring customer satisfaction will subsequently provide the indication of how successful a firm is at producing products and services in the marketplace. There are many factors needs to be included in measuring customer satisfaction. According to Hokanson<sup>147</sup>, these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service. In order to achieve customer satisfaction, organizations must be able to satisfy their customers’ needs and wants<sup>148</sup>. Meanwhile, Berry<sup>149</sup> suggested ten domains of satisfaction measurement, namely: quality, value, timeliness, efficiency, ease of access, environment, inter-departmental teamwork, frontline service behaviors, commitment to the customer and innovation. These domains are focused for continuous improvement and organizational change measurement and often utilized to develop an integrated model for satisfaction measurement.

Many researchers have found that customer satisfaction shows a positive effect on firm’s profitability. Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth.<sup>150</sup> Growth Strategies International (GSI) performed a statistical analysis of

---

<sup>145</sup> Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 493.

<sup>146</sup> Mosad Zineldin, "Total Relationship Management (TRM) and Total Quality Management (TQM)," *Managerial Auditing Journal* 15, no. 1/2 (2000), 20-28.

<sup>147</sup> Steven Hokanson, "The Deeper You Analyse, the More You Satisfy Customers," *Marketing News* 29, no. 1 (1995), 16.

<sup>148</sup> Priscilla A LaBarbera and David Mazursky, "A Longitudinal Assessment of Consumer Satisfaction/Dissatisfaction: the Dynamic Aspect of Cognitive Process," *Journal of Marketing Research*, no. 1983), 393-404.

<sup>149</sup> Leonard L. Berry, "The Old Pillars of New Retailing," in *Harvard Business Review on Customer Relationship Management* (Boston, MA: Harvard Business School Publishing Corporation, 2001), 5-7.

<sup>150</sup> Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 493.

Customer Satisfaction data encompassing the findings of over 20,000 customer surveys conducted in 40 countries by InfoQuest<sup>151</sup>. The conclusion of the study was:

1. A Totally Satisfied Customer contributed 2.6 x as much revenue to a company as a Somewhat Satisfied Customer.
2. A Totally Satisfied Customer contributed 17 x as much revenue as a Somewhat Dissatisfied Customer.
3. A Totally Dissatisfied Customer decreased revenue at a rate equal to 1.8 x what a Totally Satisfied Customer contributed to a business”.

In addition, there were also numerous studies that have looked at the impact of customer satisfaction on repeat purchase, loyalty and retention<sup>152</sup>. They all conveyed similar messages:

1. Satisfied customers were most likely to share their experiences with other people to the order of perhaps five or six people. Equally well, dissatisfied customers were more likely to tell another ten people of their unfortunate experience.
2. Furthermore, it was important to realize that many customers would not complain and this would differ from one industry sector to another.
3. Lastly, if people believed that dealing with customer satisfaction/complaint was costly, they needed to realize that it costed as much as 25 percent more to recruit new customers”.

The strategic dimension for an organization includes becoming more competitive through customer satisfaction/brand loyalty, product/service quality, brand/firm associations, relative cost, new product activity, and manager/employee capability and performance<sup>153</sup>. When competition intensifies and when organizations start to offer

---

<sup>151</sup> John Coldwell, "Characteristics of a Good," 193-199.

<sup>152</sup> Mohamed Zairi, "Managing Customer Satisfaction," 389-394.

<sup>153</sup> David A Aaker, *Strategic Market Management*, , 9th ed. (New Jersey: John Wiley & Sons, 2008), 352.

more or less similar products and services, it is the customer's satisfaction that can influence the performance of an organization and determines its competitiveness and success<sup>154</sup>. In the literature related to customer satisfaction, a great deal of attention has been paid to the confirmation paradigm which concerns the comparison of product or service performance expectations and evaluations<sup>155</sup>.

In regard to the nature of this thesis, service factor has become a crucial factor in determining the successfulness of Islamic banking in the marketplace. Services have some unique characteristics that make them different from physical products<sup>156</sup>. Services are often characterized by their intangibility, inseparability, heterogeneity, and perishability<sup>157</sup>. Because of the intangible nature of services, it also becomes difficult for an organization to understand how its customers perceive and evaluate the quality of its services<sup>158</sup>. According to Parasuraman, Zeithaml, and Berry,<sup>159</sup> there are some specific criteria by which customers evaluate service quality, namely:

1. Reliability. It involves consistency of performance and dependability. It means performing service right the first service as promises.
2. Responsiveness. It concerns the willingness or readiness of employees to help customers and provide prompt service.
3. Competence. It means possession of the required skills and knowledge to perform the service.
4. Access. It involves approachability and ease of contact.

---

<sup>154</sup> Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking: a Study of Customer Satisfaction and Preferences in Jordan," *International Journal of Bank Marketing* 17, no. 3 (1999), 135-151.

<sup>155</sup> Mark Goode and Luiz Moutinho, "The Effects of Free Banking on Overall Satisfaction: The Use of Automated Teller Machines," *International Journal of Bank Marketing* 13, no. 4 (1995), 33-40.

<sup>156</sup> Valarie A Zeithaml, Mary Jo Bitner, and Dwayne D Gremler, *Services Marketing: Integrating Customer Focus Across the Firm* (Boston: McGraw-Hill/Irwin, 2006), 708.

<sup>157</sup> Christopher Lovelock, *Services Marketing*, 7th ed. (New Dheli, India: Pearson Education, 2011).

<sup>158</sup> Valarie A Zeithaml, "How Consumer Evaluation Processes Differ between Goods and Services," in *Marketing of services*, ed. J. Donnelly, and W George (Chicago, IL: American Marketing Association, 1981), 25-32.

<sup>159</sup> A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry, "A Conceptual Model of Service Quality and its Implications for Future Research," *Journal of Marketing* 49, no. - (1985), 41-50.

5. Courtesy. It involves politeness, respect, consideration and friendliness of contact personnel.
6. Communication. It means keeping customers informed in language they can understand and listening to them. Adjusting the language for different customers may be needed, such as increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice.
7. Credibility. It involves trustworthiness, believability, honesty and having the customer's best interest at heart.
8. Security. The competence of the system and its credibility in providing a courteous and secure service.
9. Understanding/knowing the customer. It involves making the effort to understand the customer's needs.
10. Tangibles. It includes the physical evidence of the service such as the appearance of physical facilities, equipment, personnel, and communications materials.

Services are often high in credence and experience qualities and low in search qualities<sup>160</sup>. Services exist in real time and they are consumed at the very moment when they are made available to customers. They cannot be stored and quality checked like a physical product. Hence, every service production failure is likely to be experienced by a customer. Consequently, "dissatisfaction with a service might occupy most of the time over which service is consumed"<sup>161</sup> which may not be true for a physical product.<sup>162</sup>

One of the most significant tools in delivering service in an organization is employee. In regard to banking institutions, the employee assigned as a Customer Relation Advisor

---

<sup>160</sup> Valarie A Zeithaml, Mary Jo Bitner, and Dwayne D Gremler, *Services Marketing*, 708.; Bruce L Alford and Daniel L Sherrell, "The Role of Affecting Consumer Satisfaction Judgments of Credence-Based Services," *Journal of Business Research* 37, no. 1 (1996), 71-84.

<sup>161</sup> Robert East, *Consumer Behaviour: Advances and Applications in Marketing* (London: Prentice Hall, 1997), 356.

<sup>162</sup> Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking," 135-151.

(CRA) is the most visible banking's representative who is responsible for interacting with customers and providing information in response to product or service enquiries<sup>163</sup>. According to Crosby, Evans, and Cowles<sup>164</sup>, the CRA is the primary—if not sole—contact point for the customer both before and after the purchase”. Consequently, the CRA is critical to its service delivery process<sup>165</sup>. At the same time, the CRA is exposed to greater ethical pressures than individuals in many other jobs. They work in relatively unsupervised settings, they are primarily responsible for generating the bank's revenues, which at times can be very stressful; and they are often evaluated on the basis of short-term objectives<sup>166</sup>.

In Islam, providing good service for customers is related to the concept of *maṣlahah* within the concept of *maqāṣid* shariah (the purpose of shariah). Prophet Muhammad has explicitly instructed followers that useful work is that which benefits others and society:

أحب الناس إلى الله أنفعهم

Translation: The best of people are those who benefit others.<sup>167</sup>

For Islamic banking and other Islamic financial services institutions, the need to be customer-focused in the rapidly changing marketing environment has never been more important than it is nowadays. However, under the present circumstances, where customers are becoming more demanding and increasingly mobile between competing financial providers, being customer-oriented is not enough. Islamic banks and more specifically their contact employees (i.e. CRA) need to be perceived by

<sup>163</sup> "What is a Customer Service Advisor? Roles and Responsibilities of a Customer Service Advisor," website *Customer Service Manager.com*, 2010, retrieved on 14 February 2013 <http://www.customerservicemanager.com/customer-service-advisor.htm>.

<sup>164</sup> Lawrence A Crosby, Kenneth R Evans, and Deborah Cowles, "Relationship Quality in Services Selling: An Interpersonal Influence Perspective," *Journal of Marketing* 54, no. 3 (1990), 68-81.

<sup>165</sup> Greg W Marshall and C David Shepherd, "Selling and Sales Management in Action: Service Quality and the Sales Force: A Tool for Competitive Advantage," *Journal of Personal Selling & Sales Management* 19, no. 3 (1999), 73-82.

<sup>166</sup> Thomas R. Wotruba, "A Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations," *The Journal of Personal Selling and Sales Management* 10, no. 2 (1990), 29-42.

<sup>167</sup> Hadith narrated by al-Ṭabranī, vol. 6, hadith no. 6026. See: Abu al-Qasim Sulaiman bin Ahmad al-Ṭabranī, *Al-Mu'jam al-Ausath*, eds. Abu Mu'az and Abu al-Fadh (Kairo: Dar al-Haramain, 1995), 139-140.



their customers as ethically Islamic<sup>168</sup>. Hence, it is of paramount importance to assess the degree of customer satisfaction towards Islamic banks in relation to Islamic ethical work.

### **3.4 Relationship between IWE and Organizational Performance**

Research on organizational performance and its relationship to some ethic values has been conducted by many researchers and well documented in the past years. Verschoor<sup>169</sup>, for instance, showed the proportionality of corporate ethical behavior and its financial repercussions by demonstrating that enterprises mentioning codes of conduct in their annual reports had improved financial performance. Morris<sup>170</sup> concurred that business ethics influenced social performance. He employed stakeholder management devices (SMDs)—including ethics committees, codes of ethics and public affairs offices—to analyze 112 United States enterprises and to evaluate their organizational relationship with social performance. Morris's survey suggested that good stakeholder management devices SMDs achieved laudable social performance.

Further, Wu<sup>171</sup> examined the relationship of ethical decision-making by individuals to corporate business ethics and organizational performance of three groups: (1) SMEs (small and medium enterprises), (2) Outstanding SMEs (the Key Stone Award winners) and (3) Large Enterprises. The survey results demonstrated that ethical decision-making by individuals; corporate business ethics and organizational performance were highly related.

---

<sup>168</sup> Abul Hassan, Abdelkader Chachi, and Salma Abdul Latiff, "Islamic Marketing Ethics and Its Impact on Customer Satisfaction in the Islamic Banking Industry," *J.KAU: Islamic Econ* 21, no. 1 (2008), 23-40.

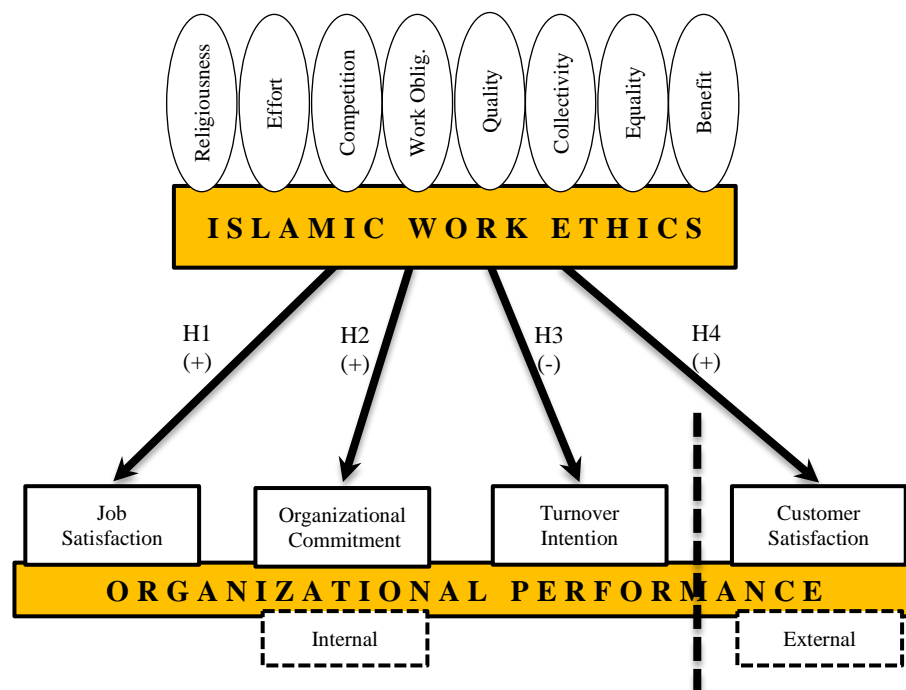
<sup>169</sup> Curtis C Verschoor, "A Study of the Link between a Corporation's Financial Performance and Its Commitment to Ethics," *Journal of Business Ethics* 17, no. 13 (1998), 1509-1516.

<sup>170</sup> Sara A Morris, "Internal Effects of Stakeholder Management Devices," *Journal of Business Ethics* 16, no. 4 (1997), 413-424.

<sup>171</sup> Chen-Fong Wu, "The Relationship of Ethical Decision-Making to Business Ethics and Performance in Taiwan," *Journal of Business Ethics* 35, no. 3 (2002), 163-176.

In relationship to IWE, few studies on organizational performance have been found and confirmed its positive relationship. Abbasi, Rehman, and Bibi<sup>172</sup>, for example, determined business performance trends in the fast growing telecom industry of Pakistan. The study observed the impact of IWE on managerial performance and management on the example of telecom organizations. The study indicated that IWE had great potential to improve business performance of an organization. Additionally, Abbasi, Mir, Hussain<sup>173</sup> investigated the impact of IWE on organizational learning, innovation and performance at Servis Industries, a footwear brand of Pakistan. The study provided insight about the extent of application of IWE in business organizations of Pakistan particularly in manufacturing sector. Results of the study supported the argument that implementing the IWE in a business organization boosted learning, innovation and eventually organizational performance.

Figure 3.1. Proposed Research Model



<sup>172</sup> Abdus Sattar Abbasi, Kashif Ur Rehman, and Amna Bibi, "Islamic Work Ethics," 312-322.

<sup>173</sup> Abdus Sattar Abbasi, Ghulam Mustafa Mir, and Muzammil Hussain, "Islamic Work Ethics: How They Affect Organizational Learning, Innovation and Performance," *Actual Problem of Economics* 12, no. - (2012), 471-480.

Based on literatures from current and previous chapters (II and III), the research model as shown in Figure 3.1 is proposed. Due to a number of specific but interlinked questions in the present study, four hypotheses among IWE and the variable of the Organizational Performance (job satisfaction, organizational commitment, turnover intention, and customer satisfaction) including the relationship between the constructs are addressed in the following sections.

### **3.4.1 Relationship between IWE and Job Satisfaction**

Based on the explanation in Chapter II, the features of IWE include several dimensions, such as religiousness, effort, competition, work obligation, quality, collectivity, equality, and benefit. These features of IWE may, then, have some impact on job satisfaction. There are number of studies on job satisfaction related to the features of IWE. King and Williamson<sup>174</sup>, for example, identified a significant influence of religiosity on job satisfaction. Rokhman<sup>175</sup> reported that the features of IWE such as hard work, cooperation, diligence, and so forth has significant impact on job satisfaction. Yousef<sup>176</sup> found a strong connection between the IWE and job satisfaction. The features in IWE were hard work, productivity, cooperation, creativity and so forth. In similar vein, Hashim<sup>177</sup> confirmed that the implementation of Islamic values in work environment, especially the human resources management, triggered a positive impact on job satisfaction.

---

<sup>174</sup> James E King and Ian O Williamson, "Workplace Religious Expression, Religiosity and Job Satisfaction: Clarifying a Relationship," *Journal of management, spirituality & religion* 2, no. 2 (2005), 173-198.

<sup>175</sup> Wahibur Rokhman, "The Effect of Islamic Work Ethics on Work Outcomes," *Electronic Journal of Business Ethics and Organization Studies* 15, no. 1 (2010), 21-27.

<sup>176</sup> Darwish A. Yousef, "Islamic Work Ethic: A Moderator between Organizational Commitment and Job Satisfaction in A Cross-Cultural Context," *Personnel Review* 30, no. 2 (2001), 152-169.

<sup>177</sup> Junaidah Hashim, "The Quran-Based Human Resource Management and its Effects on Organisational Justice, Job Satisfaction and Turnover Intention," *The Journal of International Management Studies* 3, no. 2 (2008), 148-159.

Further, Hayati and Caniago<sup>178</sup> concluded that one's behavior at work which includes his or her effort, dedication, cooperation, responsibility, social relations and creativity positively related to intrinsic motivation at an organization, which, in turn, impacted job satisfaction. In a study at a private Midwestern correctional organization, Lambert and Hogan<sup>179</sup> found that work ethic had the largest impact on job satisfaction. The relationship between work ethic and job satisfaction has also been investigated in previous studies such as the studies of Blood<sup>180</sup>, Bokemeir and Lacy<sup>181</sup>, Ali<sup>182</sup>, and Cherrington<sup>183</sup>. The findings of all these studies confirmed that work ethic was strongly related to job satisfaction. Thus, based on the above studies the hypothesis can be drawn as follow:

*Hypothesis 1: IWE positively influences job satisfaction.*

### **3.4.2 Relationship between IWE and Organizational Commitment**

The IWE regards employment as a source of independence and a means of promoting personal growth, self-respect, satisfaction, and self-fulfillment. Yousef<sup>184</sup> found a positive connection between the IWE and organizational commitment in the United Arab Emirates. Muslims who follow Islamic beliefs was likely more committed to their

---

<sup>178</sup> Keumala Hayati and Indra Caniago, "Islamic Work Ethic: The Role of Intrinsic Motivation, Job Satisfaction, Organizational Commitment and Job Performance," *Procedia - Social and Behavioral Sciences* 65, no. 0 (2012), 272-277.

<sup>179</sup> Eric Lambert and Nancy Hogan, "The Importance of Job Satisfaction and Organizational Commitment in Shaping Turnover Intent: A Test of a Causal Model," *Criminal Justice Review* 34, no. 1 (2009), 96-118.

<sup>180</sup> Milton R Blood, "Work Values and Job Satisfaction," *Journal of Applied Psychology* 53, no. 6 (1969), 456-459.

<sup>181</sup> Janet L Bokemeier and William B Lacy, "Job Values, Rewards, and Work Conditions as Factors in Job Satisfaction among Men and Women," *The Sociological Quarterly* 28, no. 2 (1987), 189-204.

<sup>182</sup> Abbas Ali, "Value Systems as Predictors of Work Satisfaction of Arab Executives," *International Journal of Manpower* 8, no. 2 (1987), 3-6.

<sup>183</sup> David J. Cherrington, *The Work Ethic: Working Values and Values That Work* (Amacom Books, 1980), 288.

<sup>184</sup> Darwish A. Yousef, "Islamic Work Ethic," 152-169.

jobs and organizations than non-believers<sup>185</sup>. Commitment is said to make the employees embrace organizational change more readily than others<sup>186</sup>. Mowday<sup>187</sup> stated that organizational commitment had three components: (a) a strong belief in and acceptance of the organization's goals and values, (b) a willingness to exert considerable effort on behalf of the organization, and (c) a strong desire to maintain membership in the organization. Mowday's components aligned closely with the features within the IWE concept. IWE shapes economic development, influence organizational commitment, and is correlated with certain organizational and individuals factors<sup>188</sup>.

Sadozai et al.<sup>189</sup> indicated that IWE served as a moderating variable to organizational commitment and it has negative effect on turnover intention. Similarly, Hayati and Caniago<sup>190</sup> found that IWE has significant effect on the intrinsic motivation in which resulted the increasing of organizational commitment. Farooq et al.<sup>191</sup> indicated that some work ethics features—such as social and responsibility within a company—enhanced the organizational commitment. Yousef<sup>192</sup> contended that organizational commitment could also serve as a mediator between the IWE and organizational change. In addition, Idrus et al<sup>193</sup> revealed that some elements of IWE such as

---

<sup>185</sup> Naghmeh Nancy Moayedi, "Islamic Work Ethic and Muslim Religious Beliefs Impact on Organizational Commitment in the Workplace" (Doctoral Thesis, University of Phoenix, 2009), 124.

<sup>186</sup> Darwish A. Yousef, "Organizational Commitment as a Mediator of the Relationship between Islamic Work Ethic and Attitudes toward Organizational Change," *Human Relations* 53, no. 4 (2000), 513-537.

<sup>187</sup> Richard T. Mowday, "Reflections on the Study," 387-401.

<sup>188</sup> Abbas J. Ali, "The Islamic Work Ethic in Arabia," *Journal of Psychology* 126, no. 5 (1992), 507-519.

<sup>189</sup> Arshad Mahmood Sadozai et al., "Moderating Role of Islamic Work Ethics between the Relationship of Organizational Commitment and Turnover Intentions: A Study of Public Sector of Pakistan," *Mediterranean Journal of Social Sciences* 4, no. 2 (2013), 767-775.

<sup>190</sup> Keumala Hayati and Indra Caniago, "Islamic Work Ethic," 272-277.

<sup>191</sup> Omer Farooq et al., "The Impact of Corporate Social Responsibility on Organizational Commitment: Exploring Multiple Mediation Mechanisms," *Journal of Business Ethics*, no. 2013, 1-18.

<sup>192</sup> Darwish A. Yousef, "Organizational Commitment," 513-537.

<sup>193</sup> Syukuriah Idrus et al., "Islamic Work Ethics (IWE) towards the Organizational Commitment" (paper presented at the IEEE Colloquium on Humanities, Science, and Engineering Research, Penang, Malaysia, 5-6 December 2011), 402-406.

cooperation, equilibrium and consultation led to the higher organizational commitment. Many studies have shown that strong commitment to IWE had direct impact on organizational performance. These findings can be observed, for instance, from the studies of Rokhman<sup>194</sup>, Zainol<sup>195</sup>, Moayedi<sup>196</sup>, Mohamed, Karim, and Hussein<sup>197</sup>, and Marri et al<sup>198</sup>. Based on the above studies, the following hypothesis is proposed:

*Hypothesis 2: IWE positively influences organizational commitment.*

### **3.4.3 Relationship between IWE and Turnover Intention**

Another interesting link to be exposed is the correlation between the IWE and turnover intention. Several studies such as Rokhman<sup>199</sup>, Muin<sup>200</sup>, and Ajmal and Irfan<sup>201</sup> showed that there was no direct impact of IWE on turnover intention while some other studies such as Hashim<sup>202</sup>, Khan et al.<sup>203</sup>, Marri et al.<sup>204</sup>, and Sadozai et al.<sup>205</sup> revealed a strong but negative correlation between the two variables. Some factors of IWE have been found to be a significant factor for turnover. In a study, Koh and Goh<sup>206</sup> concluded that in particular, satisfaction with career future, company identity, kind of work and

---

<sup>194</sup> Wahibur Rokhman, "The Effect of Islamic," 21-27.

<sup>195</sup> Nor Nazliyah Binti Zainol, "Islamic Work Ethics, Organizational Culture and Organizational Commitment: A Study of Employees at Majlis Amanah Rakyat" (Master Thesis, Universiti Utara Malaysia, 2009), 84.

<sup>196</sup> Naghmeh Nancy Moayedi, "Islamic Work Ethic," 124.

<sup>197</sup> Norshidah Mohamed, Nor Shahriza Abdul Karim, and Ramlah Hussein, "Linking Islamic Work Ethic to Computer Use Ethics, Satisfaction, Organizational Commitment in Malaysia," *Journal of Business Systems, Governance and Ethics* 5, no. 1 (2010), 13-23.

<sup>198</sup> Muhammad Yousuf Khan Marri et al., "Measuring Islamic Work Ethics and its Consequences on Organizational Commitment and Turnover Intention an Empirical Study at Public Sector of Pakistan," *International Journal of Management Sciences and Business Research* 2, no. 2 (2013), 37-49.

<sup>199</sup> Wahibur Rokhman, "The Effect of Islamic," 21-27.

<sup>200</sup> Mohd Adib bin Abd Muin, "The Effect of Islamic Work Ethics on Work Outcomes: A Case Study on Higher Education in State of Kedah" (Masters Thesis, Universiti Utara Malaysia, 2011).

<sup>201</sup> Muhammad Umar bin Ajmal and Sana Irfan, "Understanding the Moderating Role of Islamic Work Ethics between Job Stress and Work Outcomes," *IOSR Journal of Business and Management* 16, no. 1 (2014), 62-67.

<sup>202</sup> Junaidah Hashim, "The Quran-Based," 148-159.

<sup>203</sup> Khurram Khan et al., "Organizational Justice and Job Outcomes: Moderating Role of Islamic Work Ethic," *Journal of Business Ethics*, no. 2013), 1-12.

<sup>204</sup> Muhammad Yousuf Khan Marri et al., "Measuring Islamic," 37-49.

<sup>205</sup> Arshad Mahmood Sadozai et al., "Moderating Role," 767-775.

<sup>206</sup> Hian Chye Koh and Chye Tee Goh, "An Analysis of the Factors Affecting the Turnover Intention of Non-Managerial Clerical Staff: A Singapore Study," *The International Journal of Human Resource Management* 6, no. 1 (1995), 103-125.

financial rewards were found to be statistically significant to be significant factors of turnover. Rahman, Naqvi, and Ramay<sup>207</sup> contended that satisfaction and commitment toward work had negative influence on turnover intention.

Zafar et al.<sup>208</sup> concluded that there was a positive significant relationship between Islamic religiousness factors (i.e. ideological, ritualistic, intellectual, experimental, and consequential) and switching intentions of conventional banking employees in Pakistan. It was indicating that when employees of Islamic banking had awareness on Islamic values, they tended to look for more *ḥalāl* (lawful) job. In addition, Moseley, Jeffers, and Paterson<sup>209</sup> specified that respect, recognize of the achievements, valuing of expertise, the provision of challenges (competition), creating a sense of community within an organization were among factors that triggered a negative influence on turnover intention. Based on the above studies, the following hypothesis is offered:

*Hypothesis 3: IWE negatively influences turnover intention.*

#### **3.4.4 Relationship between IWE and Customer Satisfaction**

As mentioned earlier that IWE specifically related to various organizational performance factors, and customer satisfaction is one of them. Osman et al.<sup>210</sup>, for instance, showed that some features of IWE such as service quality would entail customer satisfaction and consequently enhanced the customer loyalty. Rindfleisch, Wong, and Burroughs<sup>211</sup> asserted that the factor of religiosity such as attendance at

---

<sup>207</sup> Abdul Rahman, SMMR Naqvi, and M Ismail Ramay, "Measuring Turnover Intention: A Study of IT Professionals in Pakistan," *International Review of Business Research Papers* 4, no. 3 (2008), 45-55.

<sup>208</sup> Rahaib Zafar et al., "Religiosity as Determinant of Turnover Intention: An Exploratory Study," *Journal of Commerce* 4, no. 4 (2012), 1-8.

<sup>209</sup> Amanda Moseley, Lesley Jeffers, and Jan Paterson, "The Retention of the Older Nursing Workforce: A Literature Review Exploring Factors Which Influence the Retention and Turnover of Older Nurses," *Contemporary Nurse* 30, no. 1 (2008), 46-56.

<sup>210</sup> Ismah Osman et al., "Customers Satisfaction in Malaysian Islamic Banking," *International Journal of Economics and Finance* 1, no. 1 (2009), 197-102.

<sup>211</sup> Aric Rindfleisch, Nancy Wong, and James E Burroughs, "God and Mammon: The Influence of Religiosity on Brand Connections," in *The Connected Customer: The Changing Nature of Consumer and Business Markets*, ed. Stefan HK Wuyts, et al. (Taylor & Francis, 2011), 163-199.

religious service, prayer, and reading of religious text had some influence on brand connection that led to customer satisfaction.

Some other features of IWE such as quality, value, timeliness, efficiency, ease of access, environment, inter-departmental teamwork, frontline service behaviors, commitment to the customer and innovation have been found their positive connection to customer satisfaction<sup>212</sup>. Meanwhile, Parasuraman, Zeithaml, and Berry,<sup>213</sup> concluded that reliability, responsiveness, competence, access, courtesy, communication, credibility, security, and tangible aspects had direct and positive link to customer satisfaction.

Hassan, Chachi and Latiff<sup>214</sup> revealed the importance of the implementation of ethics values on Islamic banking and its relationship to the performance. Their study confirmed that customer satisfaction had a very strong link with loyalty which is one of the performance indicators in behavioral research. Earlier, Naser, Jamal, and Al-Khatib<sup>215</sup> found that customer satisfaction in Islamic banking was closely linked to the way the bank observed Islamic Shariah principles in their services. In addition, the customers trusted the bank as regards their money and in its ability to satisfy religious concerns. Therefore, Islamic banks that value the critical importance of long-term relationships with their customers, should achieve an environment in which the potential for unethical behavior was at a minimum. Based on the above literature, the following hypothesis is proposed:

*Hypothesis 4: IWE positively influences customer satisfaction.*

---

<sup>212</sup> Leonard L. Berry, "The Old Pillars," 5-7.

<sup>213</sup> A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry, "A Conceptual Model," 41-50.

<sup>214</sup> Abul Hassan, Abdelkader Chachi, and Salma Abdul Latiff, "Islamic Marketing Ethics," 23-40.

<sup>215</sup> Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking," 135-151.



### **3.5 Conclusion**

This chapter has provided the basic theory related to the field of research. It has comprehensively discussed the literature reviews for the non-financial factors of organizational performance such as job satisfaction, organizational commitment, turnover intention, and customer satisfaction. Each of these factors has been solely discussed in a subsequent title in order to demonstrate their connection in boosting up the performance of an organization. These reviews become the key consideration in developing instrument for organizational performance measurement in chapter 4. In later section, this chapter has also given a full insight on the connection among the factors discussed with the features of IWE. Based on this, a research model was proposed and four hypotheses have been developed.

## CHAPTER IV

### RESEARCH METHOD

#### 4.1 Introduction

This chapter comprehensively discusses all matters regarding research methodology. The discussions are divided into three main sections, namely research design, data collection method, and data analysis method. Within the sections, the chapter discusses in detail the research process which is then described in a figure form. Further, it discusses data collection technique including the instrument developments. It also discusses the preliminary trials that consist of qualitative and quantitative validations along with instrument's modifications. In the last parts, data analysis techniques including several statistical tools are presented.

#### 4.2 Research Design

Based on the objectives, this thesis involves theoretical and empirical studies. As mentioned earlier, theoretical studies was conducted to seek the answer of the first objective. In the first phase, all possible literatures ranging from Quran, Hadith and the thought of many scholars were reviewed. These reviews began with the exploration of past literatures in order to find the gap among the studies. The past literature was presented in Chapter I of this thesis. It was then followed by the investigation of many relevant theories on IWE and presented in Chapter II. Based on these literatures, the concept of IWE was discussed, summarized and presented as the answer of the first objective. The importance of literature review has been highlighted by Albert Einstein,<sup>1</sup> who said that “the formulation of a problem is far more often essential than its solution, which may be merely a matter of mathematical or experimental skills. To raise new

---

<sup>1</sup> Cited in: Donald R. Cooper and Pamela S. Schindler, *Business Research Methods*, 10<sup>th</sup> ed. (New York: McGraw Hill, 2008).

questions, new possibilities, to regard old problems from a new angle require creative imagination and marks real advance in science”.

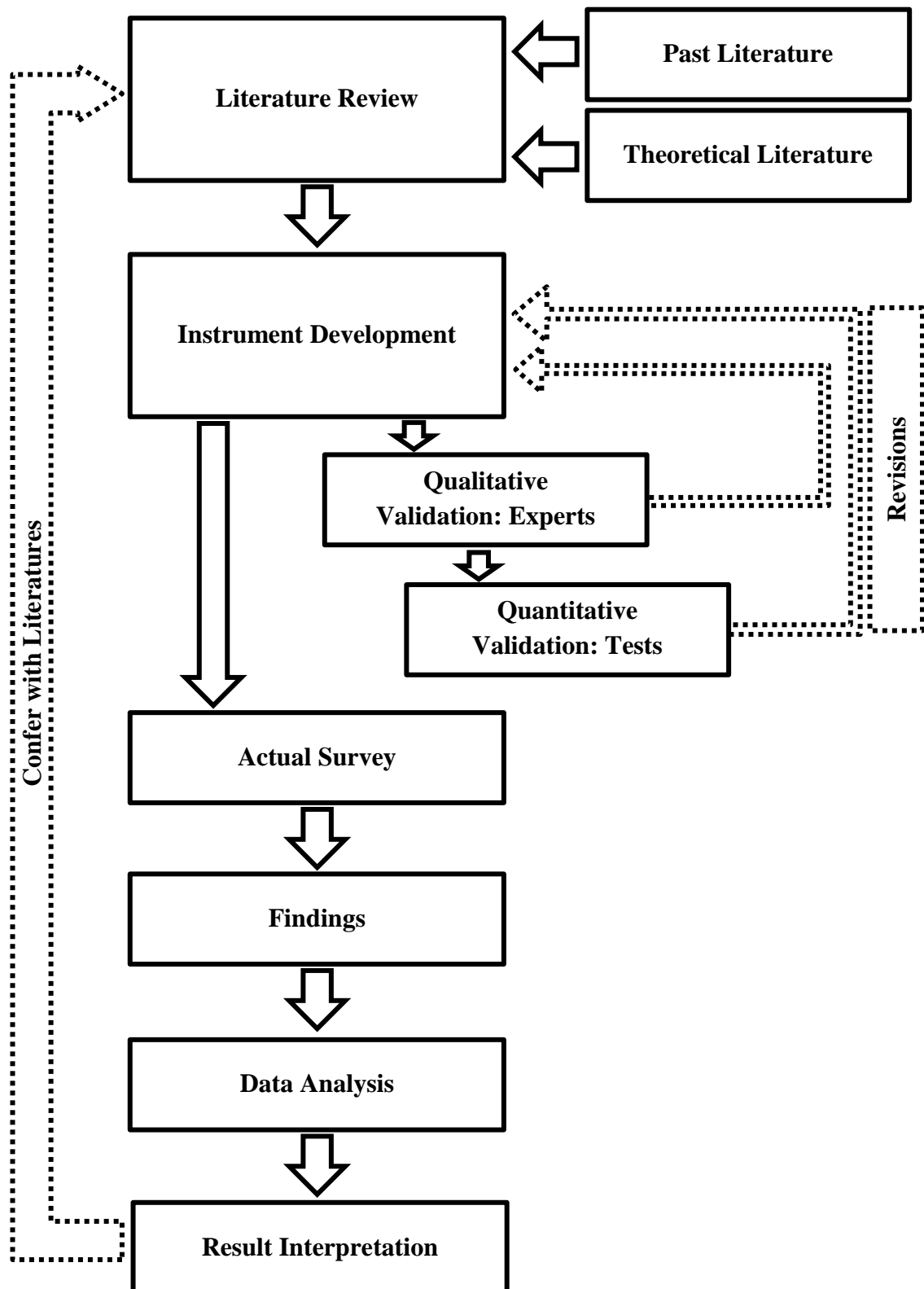
Based on the literatures, the research model was developed and the link among the indicators of organizational performance was constructed. From the past studies, the questionnaire was designed and relevant instruments are developed. Following to this, the instrument validation was carried on through the pre-test or a qualitative validation based on feedback from selected scholars that have expertise in either statistics or Islamic management fields. These experts were asked to rank the validity of instrument used in this thesis. In order to get the answer, the researcher was actively contact the experts using all possible medias such as oral, phone, email, or other communication tools. Upon collecting the answers, the researcher discussed relevant issues with the experts in order to have the same perspectives.

All the constructive ideas, critics, suggestions and other inputs were accommodated and utilized to revise the research instrument. Following to this, a quantitative validation was performed through a pilot study in a small Islamic rural bank in Aceh. Based on this finding, the scale that employed in the questionnaire was also discussed. The inputs from this step were utilized for revising the instrument. The actual survey—as the primary method of collecting data—was carried out once the research instrument is finalized.

Following the acquiring of the field data, the analysis process was conducted. The data analysis was managed in two subsequent steps. First, the researcher is conducting several pre-analysis tests, namely test of normality, reliability, and validity test to help in preparing the trustable data for the reliable results. Second, the researcher performs linear structural relationship analysis, which was aimed at finding the relationship of the variables derived from the previous phase. These two analytical procedures were presented in this data analysis phase. Once the above phases are completed, the findings

were interpreted while at the same discussed the implications of the study. Summary of the above mentioned stages is presented in the Figure 4.1.

Figure 4.1 Research Process



### 4.3 Data Collection Method

Data for this study was utilized from both secondary and primary data. Secondary data was used for gathering pertinent information regarding to this study such as IWE and organizational performance. In particular, it was used for exploring the notion of IWE and developing its instrument measurement. In addition, it was also utilized for developing customer satisfaction instrument and choosing the proper instruments for factors of job satisfaction, organizational commitment, and turnover intention. Meanwhile the primary data was used for measuring the instruments that were previously developed and selected using the secondary data. The following discussions will elaborate the data collection methods.

#### 4.3.1 Secondary Data Collection

The secondary data was gathered from two main sources which were trusted academic sources and Islamic sources. Data from academic source was collected from articles in journals, work series, books, newspapers, lectures and other related sources. Weber's interpretation of work ethic and claims—that empirical and qualitative studies in work ethic concept should not lead us to abandoning the application of this concept in other cultures—were particularly taken into consideration. Meanwhile, data from Islamic sources was much more relied on al-Qur'an and al-Hadith; beside it also gathered from written of the early and contemporary Islamic scholars such as Miskawayh's<sup>2</sup>, al-Qaradhawi's<sup>3</sup>, al-Maududi's<sup>4</sup>, Ali's<sup>5</sup>, Beekun's<sup>6</sup> and many works of other Islamic

---

<sup>2</sup> Ahmad ibn-Muhammad Miskawayh, *The Refinement of Character: A Translation from Arabic of Ahmad ibn-Muhammad Miskawayh's Tahdhib al-Akhlaq*, trans. Constantine K. Zurayk (Beirut: American University of Beirut, 1968).; Ahmad ibn Muhammad Miskawayh, *An Unpublished Treatise of Miskawaih on Justice* (Leiden, E. J. Brill, 1964).

<sup>3</sup> Yusuf al-Qaradhawi, *Dawr al-Qiyam wa al-Akhlaq fi al-Iqtisad al-Islami* (Cairo: Maktabat Wahbah, 1995).

<sup>4</sup> Abu al-'Ala al-Maududi, *Islamic Way of Life* (Karachi: Islamic Research Academy, 1967).

<sup>5</sup> Abbas Ali, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128, no. 5 (1988), 575-583.; Abbas Ali, "Islamic Work Ethic in Arabia," *Journal of Psychology* 126, no. 5 (1992), 507-520.; Abbas J. Ali and Ali A. Al-Kazemi, "Islamic Work Ethic in Kuwait," *Cross Cultural Management: An International Journal* 14, no. 2 (2007), 93-104.

<sup>6</sup> Rafik Issa Beekun, *Islamic Business Ethics* (Herndon, Virginia: International Institute of Islamic Thought; Amana Pubns, 1997).

scholars. In this step, relevant information regarding the concept of IWE was gathered. It includes the definition of IWE, concept of work and ethics, dimensions and work ethical values, and so forth. Overall, the secondary data aimed to answer the first three questions of this research.

#### **4.3.2 Primary Data Collection**

In the meantime, primary data were collected from surveys that were distributed for employees and customers of three categories of Islamic banking that were operating in Aceh. The profile of the selected Islamic banks from those categories will be described in Chapter V. Prior conducting the survey, a recommendation letter from the central bank of Indonesia (BI) has been collected. Further, along with the recommendation letter, a formal cover letter requesting permission to collect data was sent to each targeted banks. Upon receiving the responses, the questionnaire surveys were then distributed.

The questionnaires were prepared in two formats, printed and online. The latter was created using a “Form” application that is freely available from Google Drive<sup>7</sup>. The questionnaires were delivered in various methods depending on the necessity, availability and convenience. For the employees, most of the surveys were handed over to their respective banks to be distributed (drop-off survey), while some others were delivered using internet-based services such as email, Facebook, and twitter by providing them a link to the online survey. Meanwhile for the customers, most of questionnaires were given directly to them while they were dealing with the selected Islamic banks. Some respondents, whom the researcher have not had chances to meet at the banks, were asked if they owned any account in Islamic banks or at least have used Islamic bank’s facility for quite sometimes. For those who have, they were asked their

---

<sup>7</sup> For more information regarding this application, please refer to: <https://www.google.com/intl/en/drive/>

willingness to participate in the survey. In addition, the questionnaires were also made available online and delivered using similar technique to the aforementioned.

### **4.3.3 Population and Sample**

The target population for this study consisted of employees and customers of Islamic banks in Aceh. Although employees and customers were residing all around Aceh, this present study placed emphasis on Banda Aceh city and its surrounding areas due to the location of headquarter and/or major branch offices. There are three types of population for this study, namely population for banks, population for employees, and the populations for customers. Sample for each of these populations is selected based on certain criteria to represent all population.

#### **4.3.3.1 Population and Sample for Banks**

According to the Indonesian Law on Islamic Banking No. 21/2008, Islamic banking in Indonesia is divided into three categories, namely *Bank Umum Syariah* (Islamic Commercial Bank), *Unit Usaha Syariah* (Islamic Business Unit), *Bank Pembiayaan Rakyat Syariah* (Islamic Rural Bank)<sup>8</sup>. By the end of 2012, there were 11 Islamic Commercial Banks (ICBs), 24 Islamic Business Units (IBUs) of conventional banks, and 156 Islamic Rural Banks (IRBs) were operating all around Indonesia. In Aceh alone, there were five ICBs, five IBUs and 10 IRBs were operating through several offices all over Aceh<sup>9</sup>. These numbers were the total population of Islamic banks for this study. To ensure representativeness, the bank from each category was nominated as sample. A purposive sampling method was used in selecting the sample. It was based on certain characteristics, namely:

---

<sup>8</sup> *Act of Islamic Banking* 1.

<sup>9</sup> Bank Indonesia, *Islamic Banking Statistics 2012* (Jakarta: Bank Indonesia, 2012).

1. The banks have been operating in Aceh for certain period. This is to ensure that they—the bank and the people who work in it—are fully aware of Islamic ethical values that must be adhered by them.
2. The banks have headquarter/major branch in Banda Aceh, the capital city of Aceh. Based on researcher observation, the banks within this criterion have relatively large activities and thus will have significant influence in Aceh<sup>10</sup>.

Hence, based on the above criteria, four ICBs, one IBU and two IRBs were included in the survey. Four selected ICBs for this research were Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSM), Bank Rakyat Indonesia Syariah (BRIS), and Bank Negara Indonesia Syariah (BNIS). Meanwhile, Bank Aceh Syariah (BAS) was the only IBU that met the criteria. Additionally, two IRBs that met the conditions of this survey were Bank Pembiayaan Rakyat Syariah Hikmah Wakilah (BHW) and Bank Pembiayaan Rakyat Syariah Hareukat (BHR). Profile of each selected Islamic banks will be explained in Chapter V. Table 4.1 shows the selected Islamic banks for this research object.

Table 4.1 Sample of Islamic Banks

Type of Bank	Name of Bank
Islamic Commercial Banks	1. Bank Muamalat Indonesia (BMI)
	2. Bank Syariah Mandiri (BSM)
	3. Bank Rakyat Indonesia Syariah (BRIS)
	4. Bank Negara Indonesia Syariah (BNIS)
Islamic Business Units	5. Bank Aceh Syariah (BAS)
Islamic Rural Banks	6. Bank Pembiayaan Rakyat Syariah Hikmah Wakilah (BHW)
	7. Bank Pembiayaan Rakyat Syariah Hareukat (BHR)

Source: Field Data

<sup>10</sup> Some of Islamic banks including the Islamic Business Units of Conventional Banks are operating in a very small office in Aceh with the number of employee is between 4 – 8 employees. In addition, most of the employees are newly transferred from their conventional units and thus they do not fully adhere to the Islamic ethical within the Islamic banking system.



#### 4.3.3.2 Population and Sample for Employees

Based on the Table 4.1, total population for employees was all individuals who were working in the headquarter/major branches of the listed Islamic banks located in Banda Aceh city. The total population was nominated as the sample of this study. The selection was based on the following considerations:

1. The employees who stationed in headquarter/major branch had more experiences and well understood the nature of the Islamic bank. Data from preliminary research revealed that newly hired employees were usually assigned to work at relatively small offices throughout Aceh to gain experiences before they were assigned to the headquarter/major branches in Banda Aceh.
2. Banda Aceh city was seen as a perfect representative of the whole Aceh as its inhabitants consisted of all ethnic and language groups living in the province.

Based on field data, total employee of the selected Islamic banks were 268 people and all of them were nominated as sample. The percentage will be utilized as the basis in choosing respondents for customers' part. Detail number of population and sample for employees is presented in Table 4.2.

Table 4.2 Total Population and Sample of Employees

Type	Name of Bank	No. of Employee	Percentage	Remark
Islamic Commercial Banks	1. BMI	43	16.0	Major branch
	2. BSM	44	16.4	Major branch
	3. BRIS	20	07.5	Major branch
	4. BNIS	26	09.7	Major branch
Islamic Business Units	5. BAS	46	17.2	Headquarter
		18	06.7	Major branch
		20	07.4	Major branch
Islamic Rural Banks	6. BHW	20	07.4	Headquarter
		15	05.7	Major branch
	7. BHR	16	06.0	Headquarter
<b>TOTAL</b>		<b>268</b>	<b>100.0</b>	

Source: Field Data

#### 4.3.3.3 Population and Sample for Customers

For the customer, however, it was difficult to determine the exact number of entire population and to obtain sampling framework as the population was unknown. Thus, to figure this out, the researcher utilized computer software called “Sample Size Calculator” from the Creative Research Systems Survey Software.<sup>11</sup> With the confidence level of 95% and confidence interval of 5, the software determined that the number of customers needed for this study was at least 384 respondents.<sup>12</sup> These numbers were considered enough to be a sample due to large amount of population. According to Gray, Mills, and Airasian<sup>13</sup> around 400 respondents are adequate numbers for a research if the population is more than 5000. Meanwhile, many statisticians agreed that 30 are significant to be a minimum number for sample of study<sup>14</sup>. Whereas, Sekaran<sup>15</sup> claimed that 30 – 500 is considered acceptable for the size of sample in a study.

Furthermore, the targeted respondents for customers were selected using purposive sampling technique. The participation purely based on voluntary basis as the participants were asked their willingness prior to the survey. The characteristic of respondents for this study were as follow:

---

<sup>11</sup> "Sample Size Calculator," website *Creative Research System*, retrieved on 25 November 2012, <http://www.surveysystem.com/sscalc.htm>.

<sup>12</sup> The confidence interval (also called margin of error) is the plus-or-minus figure usually reported in newspaper or television opinion poll results. A confidence interval gives an estimated range of values which is likely to include an unknown population parameter, the estimated range being calculated from a given set of sample data (Valerie J. Easton and John H. McColl's, at <http://www.stat.yale.edu/Courses/1997-98/101/confint.htm>). While, the confidence level is the level that tells a researcher how sure he/she can be. It is expressed as a percentage and represents how often the true percentage of the population who would pick an answer lies within the confidence interval. It has two levels of percentages: 95% and 99%. The 95% confidence level means someone can be 95% certain; the 99% confidence level means someone can be 99% certain. Most researchers use the 95% confidence level.

<sup>13</sup> Lorraine R. Gay, Geoffrey E. Mills, and Peter W. Airasian, *Education Research: Competencies for Analysis and Applications*, 9<sup>th</sup> ed. (Upper Saddle River, NJ: Pearson Education International, 2009).

<sup>14</sup> Sabitha Marican, *Penyelidikan Sains Sosial: Pendekatan Pragmatik* (Batu Caves, Selangor: Edusystem Sdn Bhd, 2006).

<sup>15</sup> Uma Sekaran, *Research Methods for Business: A Skill Buiding Approach*, 4<sup>th</sup> ed. (New York: John Wiley & Sons Inc, 2003).

1. Those who utilizes one or more of Islamic bank's services either for purposes of saving account, investment, financing or any other services of Islamic banks in Aceh.
2. Those who embraces Islamic religion (Muslim).
3. Those who domiciles and resides in Aceh (resident of Aceh).

When the targeted respondents have been acquired, there was a need to ensure the balance of each group when multiple groups (that was Islamic banks) were to be selected.<sup>16</sup> For this purpose, the respondent was selected using stratified random sampling technique. Within this technique, proportionate allocation uses a sampling fraction in each of the strata that is proportional to that of the total population<sup>17</sup>. Logically, the number of employees who stationed in an office reflects the size of its operations. The size of operations depends on the number of customers who are dealing in daily transactions. As mentioned earlier, most of respondents were walk-in customers. Thus, the proportion of respondent for the customers were selected based on the percentage of employees in each selected bank against total employees of the selected banks as shown in Table 4.2. Hence, if an Islamic bank had a high percentage of employees, the probability of its customers to be selected was also higher and vice versa.

#### **4.3.4 Development of Instrument/Questionnaire Survey**

The development of instrument for this study was conducted very carefully in order to ensure the quality of instruments so that were able to answer the objective of this study. Four stages proposed by Carayon et al.<sup>18</sup> were followed in the process of developing the survey. First, created the initial survey from a literature review. Second, conducted a

---

<sup>16</sup> Lena Le, "Fundamental of Research: Sampling Technique," website *University of Idaho*, retrieved on 20 October 2012, [www.cnr.uidaho.edu/css506/506\\_Notes/Sampling](http://www.cnr.uidaho.edu/css506/506_Notes/Sampling).

<sup>17</sup> Carl-Erik Särndal, Bengt Swensson, and Jan Wretman, *Model Assisted Survey Sampling*, Springer Series in Statistics (New York: Springer, 2003), 695.

<sup>18</sup> Pascale Carayon et al., "Evaluating Causes and Consequences of Turnover Intention Among IT Workers: The Development of a Questionnaire Survey," *Behaviour & Information Technology* 25, no. 5 (2006), 381-397.

pilot test. Third, modified the survey based on feedback from the pilot test. Fourth, implemented the revised survey. In addition to the Carayon's stages, a qualitative validation—that involved several experts in study-related areas—was performed. This stage was conducted before the pilot test was run.

Each item of the instrument was designed to obtain information from the employees of the IBIs about their feelings toward works, companies, and their services toward customers. It was also designed to gain information from the customers of IBIs about their feelings toward the IBIs where they were banking with. Thus, the instrument went through several iterations to achieve the final goal. The instrument itself was separated into two sets, the customers' and the employees'.

To measure perceptions of the respondents, the Likert scale-modeled was found to be suitable. Answer of a score scale was seen more directed and clear; it facilitated the respondents to answer the questions more comfortably.<sup>19</sup> A six-point scale was employed ranging from 1 (strongly disagree) to 6 (strongly agree). The six-point scale is a progressive scale in nature to reflect respondent's views on whether a statement is "strongly disagree", "disagree", "somewhat disagree", "somewhat agree", "agree" and "strongly agree". The highest score reflects positive feedback and supportive whilst the lowest means negative feedback and unfavorable.<sup>20</sup>

It was used for some reasons; firstly, respondents were those who directly involved with the area of study consist of employees including managers, and customers of the Islamic banking institutions. Therefore, respondents were expected to be able to give positive or negative feedback on the questions asked and thus no reason for them to be neutral. On that basis, there was no option of "not sure" or "neutral" made available in the response scales. Further, the use of six-point scale aims to prevent the respondents from

---

<sup>19</sup> Willian G. Zikmund, *Business Research Methods* (Fort Worth, TX: Dryden Press, 2000), 300.

<sup>20</sup> L. W. Anderson, "Attitude Measure," in *The International Encyclopaedia of Education*, ed. T. Husen (Oxford: Pergamon, 1994), 380-339.; Hoi Yin Yim, Sabry Abd-El-Fattah, and Maria Lee, "A Rasch Analysis of the Teacher Music Confidence Scale," *International Education Journal* 8, no. 2 (2007), 260-269.

continuously being independent if the option of “not sure” or “neutral” is provided. Based on empirical research conducted by Trompenaars and Hampden-Turner,<sup>21</sup> some Asian countries, including Indonesia, show high rank in the neutrality dimension. It was believed that such a response would have contributed to central tendency error.<sup>22</sup> In addition, the utilization of such score in a research has been found in some previous academic studies such as doctoral theses of Nor ‘Azzah Kamri<sup>23</sup>, Amin Wibowo,<sup>24</sup> and Muhammad Yasir Yusuf.<sup>25</sup>

To create a better understanding as most respondents speak only Bahasa Indonesia, the questionnaire were prepared in English which then be translated into Indonesian. The result has been validated by some experts of both languages to avoid translation bias and error.

#### **4.3.4.1 Instrument of Islamic Work Ethics**

Based on a thorough literature review that clearly mentioned in Chapter II, researcher developed an initial IWE instrument for this research. The construction of instruments was performed through several phases. The first phase was including a search of the literature pertaining to the IWE. The Quranic verses and related Hadiths were the main sources for the literatures. Besides, the works of the early and contemporary Islamic scholars on IWE-related such as Miskawayh’s<sup>26</sup>, Al-Ghazali’s<sup>27</sup>, Maududi’s<sup>28</sup>,

---

<sup>21</sup> Fons Trompenaars and Charles Hampden-Turner, *Riding The Waves of Culture: Understanding Cultural Diversity in Business*, 2<sup>nd</sup> ed. (London: Nicholas Brealey, 1997).

<sup>22</sup> Donald R. Cooper and Pamela S. Schindler, *Business Research Methods*.

<sup>23</sup> Nor ‘Azzah Kamri, "Pelaksanaan Kod Etika Islam di Institusi Pembangunan berteraskan Islam: Kajian Kes di Lembaga Tabung Haji Malaysia" (Doctoral Thesis, Universiti Sains Malaysia, Penang, Malaysia, 2007), 398.

<sup>24</sup> Amin Wibowo, "The Impact of Organizational Culture and Internal Corporate Governance on Organizational Performance in Indonesian Companies" (Doctoral Thesis, Curtin University of Technology, Australia, 2008), 299.

<sup>25</sup> Muhammad Yasir Yusuf, "Tanggung Jawab Sosial Korporat pada Institusi Perbankan Islam di Aceh: Analisis Kriteria dan Persepsi" (Doctoral Thesis, Universiti Sains Malaysia, 2012), 471.

<sup>26</sup> Ahmad ibn-Muhammad Miskawayh, *The Refinement of Character*.; Ahmad ibn Muhammad Miskawayh, *An Unpublished Treatise of Miskawaih on Justice*.

<sup>27</sup> Abu Hamid al-Ghazali, *Ihyā' 'Ulūm al-Dīn* [Revival of Religious Learnings], trans. Fazl-ul-Karim, 1<sup>st</sup> ed., 4 vols. (Karachi, Pakistan: Darul Ishaat, 1993).; Nabih Amin Faris, "The Ihyā' 'Ulūm al-Dīn of al-Ghazzālī," *Proceedings of the American Philosophical Society* 81, no. 1 (1939), 15-19.

<sup>28</sup> Abu al-‘Ala al-Maududi, *Islamic Way of Life*.

Qaradhawi's<sup>29</sup>, Ali's<sup>30</sup>, Beekun's<sup>31</sup> and many works of other Muslim scholars were also investigated.

Table 4.3 Summary of the Initial Instrument of IWE

Dimensions	Values	Items
Religiousness	Piety	1. I am pleased because this bank accommodates my worship as it should be.
	Conscience	2. I work for the Islamic bank because its products have met shariah compliance.
		3. I am certain that my salary is halal because the Islamic bank avoids earning riba.
	Knowledge	4. I have adequate knowledge about Islamic banking.
	Intention	5. Work should not be only derived from its output, but also from its accompanying intention.
	Faith	6. For me, work is one form of worship to God.
Effort	Diligence	7. In working, I always strive for the better result.
		8. I avoid laziness in working.
	Hard work	9. I work to the best of my ability.
		10. I become to what I am now solely because of my efforts
	Patience	11. I cope with patience all work constraints.
	Persistence	12. To me, work constraints are part of work itself.
	Self-reliance	13. Progress on the job can be obtained through self-reliance.
	Consistence	14. I constantly work hard to meet my responsibilities.
Competition	Improvement	15. I believe competition is able to improve quality of work.
		16. Competition is less productive for work
	Decency	17. Competition among Islamic banks is fair
	Friendship	18. Competition creates enemies
	Righteousness	19. Internal competition at the bank where I work for justifies any means. (Reverse score).
Work Obligation	Keep promise	20. I will do my best to fulfill contract with customers.
	Honesty	21. I strive always to be honest in working.
	Trustworthiness	22. I will not leak my company's secret to other parties.
	Discipline	23. I have never come late to work.
	Punctuality	24. I make every effort to finish job on time.
	Sincerity	25. I work sincerely
	Integrity	26. I have the integrity to refuse to compromise on matters of principle.
	Transparency	27. I conduct every financial transaction transparently.
	Dignity	28. I will not be comfortable if ordered to sell riba (unlawful) products.

<sup>29</sup> Yusuf al-Qaradhawi, *Dawr al-Qiyam*.

<sup>30</sup> Abbas Ali, "Scaling an Islamic," 575-583.; Abbas Ali, "Islamic Work Ethic," 507-520.; Abbas J. Ali and Ali A. Al-Kazemi, "Islamic Work," 93-104.

<sup>31</sup> Rafik Issa Beekun, *Islamic Business Ethics*.

Dimensions	Values	Items
Quality	Precision	29. I work carefully.
	Creativity	30. To me, creative work is a source of happiness and accomplishment.
	Professionalism	31. For me, training will always be desirable to be more professional.
		32. Even if I have a chance, I will not steal things from my workplace
	Accuracy	33. Carelessness is contra-productive for work.
Collectivity	Altruism	34. For me, a collective success is more important than personal success.
	Helpfulness	35. I am willing to help colleagues to solve work problems.
	Cooperation	36. To me, cooperation is a virtue in work.
	Collaboration	37. Teamwork can stimulate the collectivity.
	Relationship	38. I put emphasis on a good relationship with my colleagues.
	Consultation	39. To finish a job, I will consult my colleagues or supervisor if necessary.
Equality	Respect	40. I respect each customer regardless of his/her social background.
		41. I respect all colleagues properly
	Justice	42. I treat customers based on their outside appearances
		43. I treat all customers fairly regardless of their social background.
	Fairness	44. I behave fairly to all customers because it is the right thing to do
		45. My workplace treats all employees fairly
	Humbleness	46. I regard humility in work as a virtue.
Benefit	Kindness	47. One should take community affairs into consideration in his/her work.
	Caring	48. I do good work to benefit both society and myself.
	Generosity	49. Producing more than enough enables me to contribute to the prosperity of society (e.g. via sort forms of charity: zakat, infaq, sadaqah, etc).
	Autonomy	50. For me, work is not an end in itself but a means to foster my personal growth.
		51. Work gives me the chance to be independent.
	<i>Silaturrahīm</i>	52. Work is a method to increase my social relationship.
		53. Work has increased my bargaining power in social relation.
	Purposefulness	54. To me, life has no meaning without work.
		55. Working is more likely a way for me to get ahead in life.

The findings from the abovementioned literatures allowed researcher to draw and discuss the concept of IWE comprehensively. Later on, it was concluded that the principle of IWE consisted of five concepts, namely *tawhīd* (unity), *khilāfah*

(vicegerent), *'adl* (justice), *ikhtiyār* (free will), and *farḍ* (obligation). Following to that, some important values of IWE were pulled out. The values were utilized as the basis for the development of IWE measurement. In the next phase, the values were then grouped into eight dimensions. Further, these dimensions were used to determine and develop the items for IWE measurement. The brief explanation on how these phases were undertaken has been explained in Chapter II. As shown in Table 4.3, a number of 55 items were captured as the IWE's scaling instrument. The items describe the individual attitude toward work, interpersonal relationship and perception on social issues.

#### **4.3.4.2 Instruments of Organizational Performance**

Meanwhile, the instruments for organizational performance were developed based on literatures in Chapter III. As mentioned earlier, organizational performance for this study was measured using non-financial indicators. Each of the indicators utilized the existing and established instruments based on literature reviews mentioned in that Chapter III. Four factors of organizational performance—represented internal and external organization—were utilized as the parameter, namely: job satisfaction, organizational commitment, turnover intention, and customer satisfaction. These factors were seen robust enough to measure the organizational performance as they comprehensively covered both internal and external parts of the study's object. In addition, these factors were also very crucial in measuring the performance of an organization as it indicated by the large number of researchers utilized them in performance-related studies. In the next sections, this thesis will comprehensively discuss each instrument of the non-financial indicators that are used in measuring the organizational performance.



#### 4.3.4.2.1 Instrument of Job Satisfaction

After carefully review the literatures in Chapter III, the combination of nine subscales from the Job Satisfaction Survey (JSS) developed by Paul E. Spector<sup>32</sup> was employed as the initial instrument to measure job satisfaction. These subscales assess satisfaction with pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, coworkers, nature of work, and communication. The instrument is comprehended as the best fit for this study given that the nature of study is banking sector. In the original form, the instrument has 36 statements/items in total which consist of four items in each subscale.

Table 4.4 Faced and Items from the Job Satisfaction Survey

Facet	Item	
Pay	1	I feel that I am being paid a fair amount for the work I do
Promotion	2	Those who do well on the job stand a fair chance of being promoted
Supervision	3	My supervisor is quite competent in doing his/her job
Fringe benefits	4	The benefits we received are as good as most other organizations offer
Contingent rewards	5	When I do a good job, I receive the recognition for it that I should receive
Operating conditions	6	Many of our rules and procedures make doing a good job simple
Co-workers	7	I am satisfied with the support from my co-workers
Nature of work	8	I feel a sense of pride in doing my job
Communication	9	Communications seem good within this organization

In this study, however, not all of the items were employed; only one item from each of the nine Spector's JSS subscales was chosen. The selected items were the most suitable in regard to the characteristics of the respondents. The instrument was scaled using a six-point Likert-type response ranging from "Strongly Disagree" to "Strongly Agree" to indicate participants' level of satisfaction. A similar approach of research was also

---

<sup>32</sup> Paul E. Spector, "Measurement of Human Service Staff Satisfaction: Development of the Job Satisfaction Survey," *American Journal of Community Psychology* 13, no. n/a (1985), 693-713.

found in some previous studies<sup>33</sup>. Table 4.4 demonstrates the initial instrument for this study based on the Spector's nine subscales.

#### **4.3.4.2.2 Instrument of Organizational Commitment**

Similar to the job satisfaction above, the instrument for organizational commitment was utilized based on the thorough review of the pertaining literatures that have stated in Chapter III. Thus, the model proposed by Meyer and Allen<sup>34</sup> was selected to measure the organizational commitment in this study. According to the model, organizational commitment is measured based on the three components model, namely (1) affective commitment that involves the employee's emotional attachment to, identification with, and involvement in the organization; (2) continuance commitment which is the commitment based on the costs that the employee associated with leaving the organization; and (3) normative commitment which is the employee's feelings of obligation to stay with the organization. The model is the most popular and comprehensively validated in the multidimensional studies.

The initial statement of the items consisted of mixed-items from negative to positive. In this study, however, all statements were all positively worded to make them convenience for respondents. This approach has also been implemented in some previous studies.<sup>35</sup> Table 4.5 shows the three components model of organizational commitment that is used in this study.

---

<sup>33</sup> For example: James Deconinck and Duane Bachmann, "The Impact of Equity Sensitivity and Pay Fairness on Marketing Managers' Job Satisfaction, Organizational Commitment and Turnover Intentions," *Marketing Management Journal* 17, no. 2 (2007), 134-141., and Hsiu-Yen Hsu, "Organizational Learning Culture's Influence on Job Satisfaction, Organizational Commitment, and Turnover Intention among R&D Professionals in Taiwan during an Economic Downturn" (Doctoral Thesis, University of Michigan, 2009), 214.

<sup>34</sup> John P. Meyer and Natalie J. Allen, "The Measurement and Antecedents of Affective, Continuance and Normative Commitment to the Organization," *Journal of Occupational Psychology* 63, no. 1996), 1-18.

<sup>35</sup> For example: Hsiu-Yen Hsu, "Organizational Learning Culture's Influence," 214.; Nor Nazliyah Binti Zainol, "Islamic Work Ethics, Organizational Culture and Organizational Commitment: A Study of Employees at Majlis Amanah Rakyat" (Master Thesis, Universiti Utara Malaysia, 2009), 84.

Table 4.5 Three Components Model of Organizational Commitment

<b>A</b>	<b>Affective Commitment Scale</b>
	1. I would be very happy to spend the rest of my career with my current organization
	2. I enjoy discussing my organization with outsiders
	3. I feel like part of the family at my organization
<b>B</b>	<b>Continuance Commitment Scale</b>
	4. It would be very difficult for me to leave my organization right now even if I wanted to
	5. One of the major reasons that I continue to work for my current organization is that leaving would require considerable personal sacrifice - another organization may not match the overall benefits that I have here
	6. I am afraid of what might happen if I quit my job without having another one lined up
<b>C</b>	<b>Normative Commitment Scale</b>
	7. One of the major reasons that I continue working for this organization is that I believe that loyalty is important and thus I feel a sense of moral obligation to remain here
	8. If I got another offer for a better job elsewhere I would not feel it was right to leave my organization
	9. I believe that a person must always be loyal to his / her organization

#### 4.3.4.2.3 Instrument of Turnover Intention

Likewise, the instrument development for turnover intention was selected after carefully reviewing the literatures in Chapter III. Hence, measurement of turnover intention was adapted from the Staying or Leaving Index (SLI) proposed by Bluedorn.<sup>36</sup> This model is one of the few measures of turnover intention that has been validated in various studies. In a meta-analysis of turnover studies conducted by Griffeth, Gorn and Gaertner<sup>37</sup>, the authors found that the SLI was common in organizational research and has consistently maintained reliability and constructed validity. Moreover, a variation of this instrument has been used in numerous studies to measure different employees' intention to leave, and has had good reliability.<sup>38</sup> The items are displayed in Table 4.6.

<sup>36</sup> Allen C. Bluedorn, "The Theories of Turnover: Causes, Effects, and Meaning," in *Research in the Sociology of Organizations: A Research Annual*, ed. Samuel B. Bacharach (Greenwich, CT: JAI Press Inc, 1982), 75-128.

<sup>37</sup> Rodger W. Griffeth, Peter W. Hom, and Stefan Gaertner, "A Meta-Analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implications for the Next Millennium," *Journal of Management Development* 26, no. 3 (2000), 463-488.

<sup>38</sup> For example: Xiao-Ping Chen et al., "Group Citizenship Behavior: Conceptualization and Preliminary Tests of its Antecedents and Consequences," *Management and Organization Review* 1, no. 2 (2005), 273-300.; Chou-Kang Chiu et al., "Modeling Turnover Intentions and Their Antecedents using the Locus of Control as a Moderator: A Case of Customer Service Employees," *Human Resource Development Quarterly* 16, no. 4 (2005), 481-499.; and Mark W. Johnston et al., "A Longitudinal Assessment of the Impact of Selected Organizational Influences on Sales People's Organizational Commitment during Early Employment," *Journal of Marketing Research* 27, no. 3 (1990), 333-344.

Table 4.6 Items of Turnover Intentions

No	Items
1	If I can find a better job, I will leave this company.
2	I often think about quitting my current job.
3	I will look for a new job outside of this company within the next six months.
4	I will look for a new job outside of this company within the next year.

#### 4.3.4.2.4 Instrument of Customer Satisfaction

Unlike other indicators of organizational performance measurement, the initial instrument for customer satisfaction's indicator was not utilized any existing and established model. It was, however, developed based on literature reviews mentioned in Chapter III.

The initial instrument for customer satisfaction was developed based on ten criteria of service quality proposed by Parasuraman, Zeithaml, and Berry<sup>39</sup> in combination with the criteria of IBIs' customer satisfaction measurement proposed by Naser, Jamal, and Al-Khatib<sup>40</sup> and also Hassan, Chachi, and Abdul-Latiff.<sup>41</sup> These criteria were found to be suitable in answering the objective 4 of this study, which is to determine the impact of IWE implementation at the IBIs on customer satisfaction. The criteria focused on service quality and employees' behavior toward their customers. Table 4.7 shows the initial items used for this study based on literatures that were previously mentioned in Chapter III.

<sup>39</sup> A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry, "A Conceptual Model of Service Quality and its Implications for Future Research," *Journal of Marketing* 49, no. - (1985), 41-50.

<sup>40</sup> Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking: a Study of Customer Satisfaction and Preferences in Jordan," *International Journal of Bank Marketing* 17, no. 3 (1999), 135-151.

<sup>41</sup> Abul Hassan, Abdelkader Chachi, and Salma Abdul Latiff, "Islamic Marketing Ethics and Its Impact on Customer Satisfaction in the Islamic Banking Industry," *J.KAU: Islamic Econ* 21, no. 1 (2008), 23-40.

Table 4.7 Initials Instrument for Customer Satisfaction Measurement

No.	Items
<b>I</b>	<b><i>Satisfaction Towards Bank</i></b>
1	I believe all products offered by Islamic banking have met shariah compliance.
2	In my concern, part of the financing schemes offered by Islamic bank has not met shariah compliance.
3	I believe, Islamic bank is only investing in the halal businesses.
4	I believe, Islamic bank avoids gaining non-halal profit.
5	I believe, no discrimination occurs in the Islamic bank's services.
6	I feel that Islamic bank has the quality service.
7	Islamic banking fulfilled its contract with me.
8	In my concern, the transactions of Islamic banking are performed in a transparent way.
9	I choose to bank with Islamic bank merely because of religious reasons.
10	I choose to bank with Islamic bank only because its high returns on investment.
11	I am confident, Islamic banking avoids the investment that causes the adverse effects on society.
12	I think the Islamic banking is competing in a fair and healthy way among them.
13	Islamic banking has a good accountability.
14	I choose Islamic banking because they are offering a fairness economic transaction.
15	I feel secure and comfortable being in the building of Islamic banking.
16	The profit and loss sharing of the Islamic banking products are reasonable.
17	I am banking with Islamic bank because of its good reputation.
18	I choose Islamic bank because of its low service charge.
19	I am pleased with the architectural design of the bank.
20	The social funds in the Islamic banking are not merely intended for profit motive.
21	I believe, products of Islamic banking will strengthen the economy of the community.
<b>II</b>	<b><i>Satisfaction Towards Bank's Employees</i></b>
22	I feel the bank personnel treats me like "a part of family" when I am banking with them.
23	I believe employees of Islamic bank provide same services to all customers.
24	I choose to bank with Islamic banks because they have trustworthy workers.
25	I feel the employees of Islamic bank have fulfilled their obligations.
26	The employees of Islamic banking need more training to be more professional.
27	In providing service to me, I feel the Islamic bank's personnel are working professionally.
28	I am given a free will in choosing the products /services.
29	The employees of Islamic banking have worked as their expertise.
30	I think the employees of Islamic banking have worked accordingly to their designated time.
31	The employees of Islamic banking have provided adequate counseling on my financial transaction.
32	The degree of qualification of the bank personnel is satisfactory.
33	I believe in the proficiency of Islamic bank's personnel.
34	I feel the bank personnel that I am dealing with have been fair to me in my transaction.
35	I am satisfied with the advice given by the bank personnel on wide variety of products offered by Islamic bank.
36	I am satisfied with the time efficiency of bank personnel in completing my transaction.
37	I am happy with the social-friendly features of Islamic bank's personnel.
38	I am satisfied with the efficiency of Islamic bank's personnel in handling problem on the phone or web.
39	Because of my great experience with the bank personnel, I will continue to bank with Islamic banking.

### 4.3.5 Preliminary Trials

Before actual survey was performed, a preliminary trial—that consisted of pre-test or qualitative validation and pilot study or quantitative validation—had been scheduled. These trials are one of among many research procedures that aims to improve the quality of research instrument. They are aimed to obtain the transparency data through trial tests with a small group of individuals.<sup>42</sup> Another purpose of the trial is to assess the consistency or reliability and validity of items used in a study.<sup>43</sup> The inputs of the assessment could enlighten the researcher about the reliability, capacity, validity and relevance of the questions posed in the questionnaire survey.<sup>44</sup> Thus, a proper improvement could be managed based on the feedback.

#### 4.3.5.1 Pre-Test or Qualitative Validation

In this stage, the initial draft of research instrument—that had been previously developed—was handed out to 11 targeted-experts. They had expertise in various fields ranging from Islamic management, business, economics, banking, organizational behavior to statistics. They were chosen not only because of their academic backgrounds but they also had profound knowledge in Islamic religion; even some of them were actively participating in various religious activities such as Islamic preachers and/or *khatibs* on Friday prayer. They were located in various places in three different countries; five experts were from two Indonesian universities; four experts were from three Malaysian institutions/universities, and two experts were from two United Kingdom (UK) universities.<sup>45</sup> The instruments for Indonesian experts were provided in both languages, Bahasa Indonesia and English, while for other experts were only given the English version.

---

<sup>42</sup> Walter R. Borg and Meredith D. Gall, *Educational Research: An Introduction*, 3<sup>rd</sup> ed. (New York: Longman, 1979).

<sup>43</sup> Gale H. Roid and Tom M. Haladyna, *A Technology for Test-Item Writing* (Orlando, FL: Academic Press, 1982).

<sup>44</sup> Uma Sekaran, *Research Methods for Business*.

<sup>45</sup> List of the experts can be referred to the appendix at the end of this thesis.

In a process that the researcher calls as ‘expert validation’, the experts were demanded to screen, validate the items including giving suggestions and views on both, the content and wordings. To obtain comprehensive feedback relating to the research instruments, in-depth discussions with the experts were scheduled upon their availability. Some of them preferred discussions to be held online through email or social media. Further, the researcher carefully reviewed the feedbacks and some improvements were made. The whole validation process carried out from April to August 2013. It was divided into two phases: (1) all feedbacks were received in the first two months (April – May 2013), (2) the clarification and discussion processes were performed in the last three months (June – August 2013). The following sections will discuss the revisions of the instrument based on feedbacks from the experts.

#### **4.3.5.1.1 Feedback on Islamic Work Ethics**

As mentioned earlier, within two months, all feedbacks from the experts were successfully collected. These feedbacks were then analyzed; and proper modifications were conducted accordingly. According to most experts, the initial instrument were quite good and strong enough to measure the IWE. However, some items were viewed as repetition from other items, and thus redundant. Item 1, for instance, was suggested to be reworded in order to reflect the feeling of employee toward Islamic ethical value. Further, item 10 was viewed as a repetitive value of its original dimension and it could be replaced by item 13. Similarly, item 16 and 18 were deleted as they had been accommodated respectively by item 15 and 19 which conveyed similar meanings in different ways. Meanwhile, according to the feedbacks, item 30 was not belong to any dimension and thus deleted. For item 41 and 42, they conveyed a similar meaning; therefore one of them should be removed. Further, item 43 was removed due to its unsuitable conveyed-message that mostly contains feeling rather than implementation/actions and thus it was not fit to the nature of this study. Further, item

45 was also deleted as—according to the feedback—it had been accommodated by items in the dimensions of collectivity. Similarly, item 52 was also removed from the initial instrument, as it was viewed as a repetitive statement of item 51.

Following to the above steps, the modified instrument was reproduced. Six experts—whose suggestions were most valuable—were contacted and asked their willingness to a further discussion. Four of them were agreed while two others were unavailable due to their workloads. One expert suggested to add “forced by my institutions” as one of the alternative answers for statement no. 14 in the section of ‘demographic information’. Except for that part plus few suggestions on wording and mistyping, there were not much inputs received on this stage. Based these advanced discussions, the last draft of IWE instrument was finalized. After finalization, 47 out of 55 items (as displayed in Table 4.8) were employed and would be tested in a pilot study.

Table 4.8 IWE Instrument after Feedback

Dimensions	Values	Statements
Religious-ness	Piety	1. I perform my worship regularly.
	Conscience	2. I work for the Islamic bank because its products have met shariah compliance.
		3. I am certain that my salary is halal because the Islamic bank avoids earning riba.
	Knowledge	4. I have adequate knowledge about Islamic banking.
	Intention	5. Work should not be only derived from its output, but also from its accompanying intention.
	Faith	6. For me, work is one form of worship to God.
Effort	Diligence	7. In working, I always strive for the better result.
		8. I avoid laziness in working.
	Hard work	9. I work to the best of my ability.
	Patience	10. I cope with patience all work constraints.
	Persistence	11. To me, work constraints are part of work itself.
	Self-reliance	12. Progress on the job can be obtained through self-reliance.
	<i>Istiqamah</i>	13. I constantly work hard to meet my responsibilities.
Competition	Perfection	14. I believe competition is able to improve quality of work.
	Decency	15. I believe competition among Islamic banking is fair
	Righteousness	16. Internal competition at the bank where I work for



Dimensions	Values	Statements
		justifies any means. (reverse score).
Work Obligation	Keep promise	17. I will do my best to fulfill contract with customers.
	Trustfulness	18. I strive to always be honest in working.
	Trustworthiness	19. I will not leak my company's secret to other parties.
	Discipline/ Punctuality	20. I have never come late to work.
		21. I make every effort to finish job on time.
	Sincerity	22. I work sincerely
	Integrity	23. I have the integrity to refuse to compromise on matters of principle.
	Transparency	24. I conduct every financial transaction transparently.
	Dignity	25. I will not be comfortable if ordered to sell riba (unlawful) products.
Quality/Itqan	Precision	26. I work carefully.
	Creativity	27. To me, creative work is a source of happiness and accomplishment.
	Professionalism	28. For me, training will always be desirable to be more professional.
	Accuracy	29. Carelessness is contra-productive for work.
Collectivity	Altruism	30. For me, a collective success is more important than personal success.
	Helpfulness	31. I am willing to help colleagues to solve work problems.
	Cooperation	32. To me, cooperation is a virtue in work.
	Collaboration	33. Teamwork can stimulate the collectivity.
	Relationship	34. I put emphasis on a good relationship with my colleagues.
	Consultation	35. To finish a job, I will consult my colleagues or supervisor if necessary.
Equality	Respect	36. I respect each customer regardless of his/her social background.
	Fairness	37. I treat all customers fairly regardless of their social background.
	Justice	38. My workplace treats all employees fairly.
	Humbleness	39. I regard humility in work as a virtue.
Benefit	Caring	40. One should consider community affairs in his/her work.
	Kindness	41. I do good work to benefit both myself and society.
	Generosity	42. Producing more than enough enables me to contribute to the prosperity of society (e.g. via sort forms of charity: zakah, infaq, sadaqah, etc).
	<i>Silaturrahim</i>	43. Work is a method to increase my social relationship.
	Purposefulness	44. To me, life has no meaning without work.
		45. For me, work is not an end in itself but a means to foster my personal growth.
	Autonomy	46. Working is a more likely way for me to get ahead in life.
		47. Work gives me the chance to be independent.

#### 4.3.5.1.2 Feedback on Job Satisfaction

Feedback for job satisfaction was collected in a similar way as the IWE's was conducted. The instrument of job satisfaction was an integral part of the whole survey for this study; therefore all study's instruments including the job satisfaction were distributed at same time in the same way. Among many, feedbacks given by three experts specialized in Islamic management were the most valuable. They suggested that the items of job satisfaction should incorporate Islamic aspects. In item 1, for instance, the statement "I feel that I am being paid a fair amount for the work I do" tended to reflect only material item (money), while the meaning of work in Islam is not that narrow. Thus, after rewording the statement become "I feel that I am being compensated fairly for the work I do". In particular, the experts also remarked that "*riba*-free" regulation and halal income should be included as factors of job satisfaction. This idea has been accommodated in Table 4.9, item 4. In addition, the statements should be specifically reflected a study in Islamic banking. Therefore, all feedbacks were analyzed and some modifications are made to suite the nature of this study and reflected the working environment of Islamic banking.

Up to this stage, the instrument of job satisfaction was reproduced. Similar to the IWE's, the experts whose inputs were most valuable were invited for an advanced discussion. The three experts agreed and the discussions were held in three different occasions including teleconferences using social media from July to August 2013. Two of three experts suggested putting some negative statements in order to make a variant result and test the consistency of respondents. These ideas have been reflected in item 3 and 8. In addition, one expert suggested that the loyalty and retention statements should be included in the survey as this survey will automatically lead to that matter. As this study has already covered several broad topics, the researcher decided not to include the

feedback in the survey and it will be suggested for future studies. The final draft of the instrument for job satisfaction is presented in Table 4.9.

Table 4.9 Job Satisfaction's Instrument after Feedback

Facet	Item	
Payment	1	I feel I am being compensated fairly for the work I do.
Promotion	2	Those who do well on the job stand a fair chance of being promoted.
Supervision	3	My supervisor is not a good role model to be followed at work. (reverse score)
Benefits	4	One of the benefits working for an Islamic bank is obtaining income from halal source.
Contingent rewards	5	When I do a good job, I receive the recognition for it that I should receive.
Operating conditions	6	Our rules and procedures conform to shariah regulations.
Co-workers	7	I am satisfied with the support from my co-workers.
Nature of work	8	I do not feel any sense of pride in doing my job at Islamic bank. (reverse score)
Communication	9	I am satisfied with communications within this bank.

#### 4.3.5.1.3 Feedback on Organizational Commitment

Similarly, as it was embedded to the same document, the instrument for organizational commitment was also sent to the 11 experts. Only two experts provided comments on this particular instrument. The experts specifically highlighted the items under the 'continuance commitment scale' that should be more reflected current or real job-pursuing condition in Indonesia particularly in Aceh province that leave people with limited choices. Hence, three items in the initial 'continuance commitment scale' from Table 4.5 were replaced.

The replacement items were taken from the same model proposed by Meyer and Allen.<sup>46</sup> In various advanced discussion with some experts, the modified statements received no more valuable comments. Based on this feedback, the researcher finalized the instrument, and made it ready for a pilot test. Table 4.10 shows the instrument of organizational commitment that has been finalized.

<sup>46</sup> John P. Meyer and Natalie J. Allen, "The Measurement and Antecedents," 1-18.

Table 4.10 Instrument of Organizational Commitment after Feedback

<b>A</b>	<b>Affective Commitment Scale</b>
	1. I would be very happy to spend the rest of my career with my current organization.
	2. I enjoy discussing my organization with outsiders.
	3. I feel like part of the family at my organization.
<b>B</b>	<b>Continuance Commitment Scale</b>
	4. Too much in my life would be disrupted if I decided I wanted to leave this bank now.
	5. One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.
	6. Right now, staying with my organization is a matter of necessity as much as desire.
<b>C</b>	<b>Normative Commitment Scale</b>
	7. One of the major reasons that I continue working for this organization is that I believe that loyalty is important and thus I feel a sense of moral obligation to remain here.
	8. If I got another offer for a better job elsewhere I would not feel it was right to leave my organization.
	9. I believe that a person must always be loyal to his / her organization.

#### 4.3.5.1.4 Feedback on Turnover Intention

In the same vein, the initial instrument in the turnover intention was also sent to the same experts. Out of 11 experts, only three experts provided feedbacks for this particular instrument. One expert specifically pointed out that the initial items in the instrument seemed imbalance between the intention to stay and the intention to leave the organization. Having analyzed the feedbacks and literatures, the items were modified accordingly. Other comments were not too valuable in term of content, as they were enquiring about language styles. Thus, in order to incorporate the feedbacks, statements in the instrument were divided into two parts, ‘intent to leave’ and ‘intent to stay’. This would provide the result to determine of how the employees of the selected Islamic banks tend to act. Up to this point, the instrument was reproduced and sent back to the expert for further discussion.

On the second discussion, one expert suggested to add one more part in order to make the instrument even more balanced. This part should be placed in between; after ‘intent to leave’ and before ‘intent to stay’. Following to this suggestion, the researcher

carefully review the literatures to search for more resources regarding this matter. Two studies were found to be useful for this part, which are Kim, et al.<sup>47</sup> and Lewis.<sup>48</sup> Two statements were added into the initial instrument and were placed under part ‘search behavior’ between the two existing parts. In the second draft, the instrument was divided into three parts, namely intent to leave, search behavior, and intent to stay. This draft was specifically resent to a particular expert—whose comments was utilized—and received a very positive feedback. Thus, after all modifications, the final draft of turnover intention instrument is presented in Table 4.11.

Table 4.11 Instrument of Turnover Intentions after Feedback

No	Items
<b>I</b>	<b>Intent to leave</b>
	1. If I can find a better job, I will leave this bank.
	2. I often think about quitting my current job.
<b>II</b>	<b>Search behavior</b>
	3. I almost always follow up on job leads with other employers that I hear about.
	4. I rarely seek out information about job opportunities with other employers. (reverse score)
<b>III</b>	<b>Intent to stay</b>
	5. I plan to stay with my present employer as long as possible. (reverse score)
	6. Under no circumstances will I voluntarily leave my present employer. (reverse score)

#### 4.3.5.1.5 Feedback on Customer Satisfaction

In the first round of qualitative validation, five of 11 experts pointed out that the items of customer satisfaction did not exactly match the objective of this thesis as they should be reflected the statements in the IWE’s instrument. The instrument of job satisfaction was supposed to answer the research objective 4, which is “determining the impact of IWE implementation on customers’ satisfaction at the IBIs in Aceh.” Thus, the items in the instrument of customer satisfaction should also reflect the statement of in the IWE’s

<sup>47</sup> Sang-Wook Kim et al., "The Determinants of Career Intent Among Physicians at a U.S. Air Force Hospital," *Human Relations* 49, no. 7 (1996), 947-976.

<sup>48</sup> Maximillian Lewis, "Causal Factors that Influence Turnover Intent in a Manufacturing Organisation" (Master's Thesis, University of Pretoria, 2008), 178.

questionnaire. The ‘dimensions’ and ‘values’ in the IWE’s instrument should be used as the basis in designing the statements for customer satisfaction. However, most of the statements in the initial instrument were valuable and useful but need to re-arrange and re-wording to match with the IWE’s instrument.

Based on these feedbacks, significant adjustments were made including modification, deletion and addition of some other items. The items were divided into eight dimensions based on the components in IWE’s instrument. The IWE’s values—that were previously mentioned in Chapter II—were incorporated in the creation of new statements. Totaling 47 statements from eight dimensions were included on this stage. Similar to all instruments above, the modified instrument were reproduced and redistributed to the experts—whose comments were utilized in the first round—for further discussion.

Table 4.12 Instrument of Customer Satisfaction after Feedback

Dimensions	Items
Religiousness	1. Islamic bank provides proper accommodations for praying.
	2. In my concern, products offered by Islamic banking have met the shariah compliance.
	3. I am certain, Islamic banking is investing in the halal businesses only.
	4. I am sure, the Islamic banking’s employees perform all religious obligations
	5. In my concern, Islamic banking’s employees have adequate religious knowledge.
	6. I choose to bank with Islamic bank merely because of religious reasons.
Effort	7. I believe the employees of Islamic bank have performed jobs with their best ability.
	8. I am satisfied with the time efficiency of bank employees in completing my transactions.
	9. I observe that Islamic bank’s employees avoid laziness in working.
	10. I am satisfied with the information given by the bank’s employee concerning to my queries.
	11. I feel that Islamic bank’s employee have fulfilled their obligations.
	12. I am satisfied with the efficiency of Islamic bank’s employee in handling problem on the phone or web.
Competition	13. Competition among employees is able to improve quality of work.
	14. Competition among Islamic banking is fair
	15. I believe internal competition at Islamic banking is fair.
Work Obligation	16. I feel the employee of Islamic bank have fulfilled contract with me.
	17. I choose to bank with Islamic banks because they have trustworthy workers.
	18. I believe the Islamic bank’s employee have never come late to work without prior permission.
	19. I think the employees of Islamic banking have worked accordingly to their designated time.
	20. I feel the bank employee has worked sincerely
	21. In my concern, the transactions of Islamic banking are performed in a transparent way.

<b>Dimensions</b>	<b>Items</b>
Quality/ Itqan	22. I feel the bank employee works precisely.
	23. I feel that Islamic banks' products are less innovative. (reverse score)
	24. I think training will always be desirable for the employee to be more professional.
	25. The employees of Islamic banking have worked as their expertise.
	26. I feel that Islamic bank has an excellent service.
Collectivity	27. I observe that bank employee is willing to help each other to solve work problem.
	28. Islamic bank' employee looked solid in their works.
	29. Upon necessary, I notice the bank employee consult with supervisors or among themselves to solve work problem.
Equality	30. I feel the Islamic bank employee treats me like "a part of family" when I am banking with them.
	31. The employees of Islamic bank have provided adequate assistance on my financial transaction.
	32. I am given a free will in choosing the products /services.
	33. I feel the bank employee that I am dealing with have been fair to me in my transaction.
	34. I believe, no discrimination occurs in the Islamic bank's services.
	35. I am happy with the social-friendly features of Islamic bank's employees.
Benefit	36. The social funds in the Islamic banking are not merely intended for profit motive.
	37. I believe products of Islamic banking will strengthen the economy of the community.
	38. I feel secure and comfortable being in the building of Islamic banking.
	39. I am pleased with the architectural design of the bank.
	40. The Islamic banking has played a good role in alleviating some social problems e.g. helping the poor, charity, etc.
	41. I choose Islamic banking because they are offering a fairness profit and loss sharing.

Three of five experts pointed out that some items seemed like repetition on one another. Consequently, they were not robust enough to answer the objective of this thesis as the items were supposedly to support the items in the employee's parts. Therefore, item adjustments were performed, and they were changed to reflect the items in the employee's parts. In the final form, six statements/items were deleted which makes the total 41 items. The modified-instrument of customer satisfaction is presented in Table 4.12.

#### **4.3.5.2 Pilot Study or Quantitative Validation**

Before the final instrument was distributed to the respondents, a pilot study had been performed in September 2013. In research on social science, the term 'pilot study' is used in two different ways. On one hand, it refers to what so-called feasibility studies which are "small scale version[s], or trial run[s], done in preparation for the major

study”<sup>49</sup>. On the other, a pilot study can also be the pre-testing or “trying out” of a particular research instrument.<sup>50</sup> It aims to improve the internal validity of the items in the questionnaire which is the ability of the instrument to measure the purpose of the study. Using the suggestions of the respondents prevent a researcher from unexpected errors and help him/her to identify the changing, confusing, awkward, or offensive questions and techniques in a study.<sup>51</sup> Further, it helps researcher in deciding whether the time taken to complete the questionnaire is reasonable, whether each question gives an adequate range of responses, and whether the questions need to be re-worded or re-scaled, shortened and revised.<sup>52</sup>

Green and Tull<sup>53</sup> suggested that the sample size should be small, but it should cover all subgroups of the target population. In regard to this thesis, the questionnaires were distributed to 50 surrogate respondents using purposive sampling method. They consisted of 25 people who were working at various Islamic banks and 25 people who were working in various institutions in Aceh. The respondents were not from the bank sample and most importantly they have deposits, savings, or other accounts in one of Islamic banks. Those who have participated in pilot study were excluded from the real survey. Participation was based on voluntary basis, and they were assured that a summary of the study would be given to those who requested. To facilitate respondents in answering the questions, a free ballpoint pen was offered to them. The researcher or research assistants collected the responses in about two weeks.

According to respondents, they needed to spend about 10-15 minutes to fill up the questionnaire. The questionnaire surveys that were distributed to both the employees

---

<sup>49</sup> Denis F. Polit and Cheryl T. Beck, *Essentials of Nursing Research: Methods, Appraisal, and Utilization*, 3<sup>rd</sup> ed. (Lippincott Williams & Wilkins, 2006), 528.

<sup>50</sup> Therese L. Baker, *Doing Social Research* (McGraw-Hill Book Company, 1999).

<sup>51</sup> Donald R. Cooper and Pamela S. Schindler, *Business Research Methods*.

<sup>52</sup> Amin Wibowo, "The Impact of Organizational Culture," 299.

<sup>53</sup> Paul E. Green and Donald S. Tull, *Research for Marketing Decisions*, 2<sup>nd</sup> ed. (Prentice-Hall, 1970), 644.



and customers were 11 and 10 pages long respectively including a cover page and cover letter. According to most of the respondents, these numbers were quite long and they more likely experienced fatigue. They recommended re-arranging the items in a more simple way by deleting instructions in each sub-section and adjusting font size in a more suitable style. In addition to that, the style of demographic part also needed to adjust and arrange concisely. They also noticed, in the questionnaire survey for customer side, particularly on the section “demographic information” no. 7, the provided answers for statement “level of education” were not accommodated customers of Islamic Rural Banks who were likely had lower education than other bank’s customers.

In addition, the respondents also noted that the provided-answers on the section “demographic information” could be much easier to respond if they were given sequence numbers similar to other sections. Statement no. 5, “ethnic of origin”, in the same section should also be reflected by the number of tribes living in Aceh accordingly or at least the major tribes. Further, for the “length of work” in statement no. 8 and “monthly income” in statement no. 10 should be more precise in putting the numbers.

Likewise, statement no. 9, “current position level”, needed to put an example on what kind of position fall into the specific job types; thus instead of only putting “middle level management” alone, the wording should be “middle level management (e.g. regional head or equivalent)”. No comments were received on the content related matter. Having analyzed the feedbacks, a proper modification was made. In the modified version, each instrument of the questionnaire survey were only lasted seven pages long including a cover page and a cover letter. The final template of the questionnaire surveys for both versions, English and Indonesia are presented in the appendix section on the back this thesis.

#### 4.3.5.2.1 Reliability and Validity Statistic Tests

In examining the reliability and validity of the items, this study utilized Pearson correlation analysis and Cronbach's alpha reliability test. Result showed that Cronbach's alpha reliability statistic test for all 47 items of IWE measurement was 0.943. Meanwhile, the result of Cronbach's alpha for the organizational performance instruments showed the following results: job satisfaction was 0.704, organizational commitment was 0.782, turnover intention was 0.715 and customer satisfaction was 0.957. Generally, the lower acceptance limit of Cronbach's alpha is from 0.60 to 0.70.<sup>54</sup> These results indicate that the items were very reliable to measure the components of IWE and organizational performance in a real survey.

Table 4.13 Reliability Test Result for Pilot Study

No	Construct	Number of Item	Alpha
1	Islamic Work Ethics	47	0.943
2	Organizational Performance		
	1. Job Satisfaction	9	0.704
	2. Organizational Commitment	9	0.782
	3. Turnover Intention	6	0.715
	4. Customer Satisfaction	41	0.957

Source: Cronbach Alpha Output

Meanwhile, the validity of the instrument was tested using Pearson correlation. An analysis toward item-total correlational of IWE's items indicated that most of them have very significant correlation, while only few received lower but valid scores as shown in Table 4.14. Considering the number of sample for this pilot study, *r*-table suggested that the lowest score should not be less than 0.3233 at the 0.1 of significance level. Studying the items closely showed that items 1, 12, 16, and 23 received scores below the average, and thus, according to this test, the items were not valid and had to be removed. However, removing these items were not certainly solved the problem as the number of respondent used in pilot study was very limited. Given the fact, one statistical expert

<sup>54</sup> Joseph F. Hair et al, *Multivariate Data Analysis* (Upper Saddle River, N.J.: Prentice Hall, 1998).

from the Ar-Raniry State Islamic University Banda Aceh suggested to maintain these items and retested them in a larger population.

Another scenario was re-examining the wording and/or translation as ‘a poorly worded item may produce low loading’.<sup>55</sup> Thus, rather than deleting these items, it was worth to examining them closely to discover whether there was inappropriate wording and/or translation. Although the process of translation was performed carefully and all the items have been professionally validated by experts from various fields using construct and content validity<sup>56</sup>, it was still possible to have had an unsuitable translation, particularly if the research was being carried out in a different context to that of the translator. Having analyzed the items closely it was acknowledged that there was translation ambiguity. Some respondents addressed this issue when filling up the questionnaire. Since one of the purposes of the pilot study was to measure IWE through a self-developed research instrument, reworded and re-tested the item in a larger population was the final choice for this matter.

When a second test was conducted in a population of 49 people, as displayed in Table 4.14, all items surpassed the minimum reference point (*r*-table required score for *n*=49 is 0.2759 with the level of significance is 0.05). Items 1, 12, 16 and 23 received scores of 0.585, 0.412, 0.399 and 516 respectively. The conclusion of these findings was that the IWE’s instrument was valid and reliable to be used for the real survey.

Table 4.14 Pearson Correlation Result of IWE for Pilot Study

No	Items and Dimensions of Islamic Work Ethics	M	SD	ITC* (n=25)	ITC* (n=49)
<b>I</b>	<b>Religiousness</b>				
1	I perform my worship regularly.	5.60	0.707	0.317	0.585
2	I work for the Islamic bank because its products have met shariah compliance.	5.28	0.678	0.468	0.551
3	I am certain that my salary is halal because the Islamic bank avoids earning <i>riba</i> .	5.56	0.507	0.667	0.669
4	I have adequate knowledge about Islamic banking.	5.04	0.735	0.621	0.621
5	Work should not be only derived from its output, but also from its accompanying intention.	5.60	0.577	0.682	0.629

<sup>55</sup> John Hulland, "Use of Partial Least Squares (PLS) in Strategic Management Research: a Review of Four Recent Studies," *Strategic Management Journal* 20, no. 2 (1999), 195-204.

<sup>56</sup> Suharsimi Arikunto, *Dasar-Dasar Evaluasi Pendidikan* (Jakarta: Bumi Aksara, 2008), 67.

No	Items and Dimensions of Islamic Work Ethics	M	SD	ITC* (n=25)	ITC* (n=49)
6	For me, work is a form of worship to God.	5.68	0.690	0.442	0.742
<b>II</b>	<b>Effort</b>				
7	In working, I always strive for the best result.	5.72	0.458	0.768	0.771
8	I avoid laziness in working.	5.68	0.476	0.821	0.871
9	I work to the best of my ability.	5.72	0.458	0.816	0.866
10	I cope with patience all work constraints.	5.16	0.987	0.695	0.795
11	To me, work constraints are part of work itself.	5.32	0.945	0.586	0.685
12	Progress on the job can be obtained through self-reliance.	4.00	1.384	0.100	0.412
13	I constantly work hard to meet my responsibilities.	5.52	0.586	0.519	0.601
<b>III</b>	<b>Competition</b>				
14	I believe competition is able to improve quality of work.	5.12	1.054	0.619	0.719
15	Competition among Islamic banking is fair	5.04	0.790	0.352	0.422
16	Internal competition at the bank where I work for justifies any means (reverse score).	5.16	1.028	0.001	0.399
<b>IV</b>	<b>Work Obligation</b>				
17	I will do my best to fulfill contract with customers.	5.44	0.507	0.667	0.607
18	I strive to always be honest in working.	5.72	0.458	0.811	0.810
19	I will not leak my company's secret to other parties.	5.76	0.436	0.718	0.708
20	I have never come late to work without prior permission.	5.32	0.690	0.512	0.525
21	I make every effort to finish job on time.	5.52	0.586	0.752	0.782
22	I work sincerely	5.52	0.586	0.662	0.692
23	I have the integrity to refuse to compromise on matters of principle.	5.28	0.542	0.314	0.516
24	I conduct every financial transaction transparently.	5.52	0.653	0.810	0.710
25	I will not be comfortable if ordered to sell riba (unlawful) products.	5.36	1.114	0.324	0.424
<b>V</b>	<b>Quality</b>				
26	I work carefully.	5.56	0.507	0.711	0.701
27	To me, creative work is a source of happiness and accomplishment.	5.64	0.490	0.684	0.694
28	For me, training will always be desirable to be more professional.	5.68	0.476	0.701	0.711
29	Carelessness is contra-productive for work.	5.60	0.577	0.514	0.521
<b>VI</b>	<b>Collectivity</b>				
30	For me, a collective success is more important than personal success.	5.56	0.651	0.591	0.571
31	I am willing to help colleagues to solve work problems.	5.60	0.577	0.583	0.683
32	To me, cooperation is a virtue in work.	5.60	0.577	0.705	0.755
33	Teamwork can stimulate the collectivity.	5.80	0.408	0.720	0.726
34	I put emphasis on a good relationship with my colleagues.	5.84	0.374	0.687	0.787
35	To finish a job, I will consult my colleagues or supervisor if necessary.	5.56	0.651	0.811	0.841
<b>VII</b>	<b>Equality</b>				
36	I respect each customer regardless of his/her social background.	5.52	0.586	0.662	0.742
37	I treat all customers fairly regardless of their social background.	5.56	0.507	0.819	0.829
38	My workplace treats all employees fairly	5.48	0.586	0.680	0.780
39	I regard humility in work as a virtue.	5.60	0.500	0.743	0.783
<b>VIII</b>	<b>Benefit</b>				
40	One should take community affairs into consideration in his/her work.	5.24	0.779	0.325	0.421
41	I do good work to benefit both myself and society.	5.60	0.645	0.859	0.890
42	Producing more than enough enables me to contribute to the prosperity of society (e.g. via sort forms of charity: zakah, infaq, sadaqah, etc).	5.44	0.917	0.693	0.721
43	Work is a method to increase my social relationship.	5.48	0.653	0.825	0.831
44	To me, life has no meaning without work.	4.76	1.393	0.729	0.799
45	For me, work is not an end in itself but a means to foster my personal growth.	5.48	0.823	0.765	0.772
46	Working is a more likely way for me to get ahead in life.	5.28	0.792	0.807	0.827
47	Work gives me the chance to be independent.	5.52	0.714	0.805	0.799

Source: SPSS Output

\* ITC = Item-Total Correlational

Meanwhile, the discussion on the organizational performance instruments that consist of job satisfaction, organizational commitment, turnover intention and customer satisfaction were divided into two parts, the employee and the customer part. Instruments of job satisfaction, organizational commitment, and turnover intention were utilized the same respondents as the IWE's whereas the customer satisfaction used another respondent from customer side.

The analysis toward the instrument of job satisfaction provided information that all items indicated high level of correlation. The minimum level score required as per *r*-table for 25 respondents with 0.05 of significance level was 0.3809. Thus, based on this result no second test was needed for instrument of job satisfaction and the items were ready for the real survey. Table 4.15 provides a complete information about scores received for each item of job satisfaction.

Table 4.15 Pearson Correlation Result of Job Satisfaction for Pilot Study

Items of Job Satisfaction	M	SD	Item-Total Correlational (n=25)
1. I feel I am being paid and compensated fairly for the work I do.	5.20	0.707	0.475
2. Those who do well on the job stand a fair chance of being promoted.	4.80	0.957	0.453
3. My supervisor is not a good role model to be followed at work (reverse score).	4.24	1.535	0.628
4. One of the benefits working for an Islamic bank is obtaining income from halal source.	5.36	0.757	0.509
5. When I do a good job, I receive the recognition for it that I should receive.	4.84	0.800	0.461
6. Our rules and procedures conform to shariah regulations.	5.04	0.841	0.424
7. I am satisfied with the support from my co-workers.	5.16	0.624	0.621
8. I do not feel any sense of pride in doing my job at Islamic bank (reverse score).	5.00	1.000	0.868
9. I am satisfied with communications within this bank.	5.28	0.737	0.521

Source: SPSS Output

Similarly, all items in the instrument of organizational commitment received relatively high score considering the minimum required score for this number of respondent.

Table 4.16 shows the conclusion of the test for this instrument.

Table 4.16 Pearson Correlation Result of Organizational Commitment for Pilot Study

Items of Organizational Commitment	M	SD	Item-Total Correlational (n=25)
1. I would be very happy to spend the rest of my career with my current organization.	4.28	1.514	0.808
2. I enjoy discussing my organization with outsiders.	5.16	0.746	0.520
3. I feel like part of the family at my organization.	5.20	0.866	0.529
4. Too much in my life would be disrupted if I decided I wanted to leave this bank now.	4.36	1.411	0.476
5. One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.	3.16	1.546	0.648
6. Right now, staying with my organization is a matter of necessity as much as desire.	3.80	1.581	0.794
7. One of the major reasons that I continue working for this organization is that I believe that loyalty is important and thus I feel a sense of moral obligation to remain here.	4.84	1.143	0.707
8. If I got another offer for a better job elsewhere I would not feel it was right to leave my organization.	4.96	0.790	0.534
9. I believe that a person must always be loyal to his / her organization.	5.48	0.510	0.420

Source: SPSS Output

Likewise, Table 4.17 shows the Mean, Standard Deviation and Item-Total Correlational among the items in the turnover intention instrument. Using the same respondent, all items in the instrument had very high correlation toward the item-total. This result indicated that the instrument of job satisfaction was a valid instrument to be used for actual survey.

Table 4.17 Pearson Correlation Result of Turnover Intention for Pilot Study

Items of Turnover Intention	M	SD	Item-Total Correlational (n=25)
1. If I can find a better job, I will leave this bank.	3.52	1.558	0.805
2. I often think about quitting my current job.	3.16	1.491	0.873
3. I almost always follow up on job leads with other employers that I hear about.	2.64	1.036	0.862
4. I rarely seek out information about job opportunities with other employers.	4.48	1.194	0.613
5. I plan to stay with my present employer as long as possible.	4.20	1.225	0.711
6. Under no circumstances will I voluntarily leave my present employer.	3.84	1.546	0.831

Source: SPSS Output

Unlike the above instruments, the respondent who were signing up to involve in testing the items of customer satisfaction instrument coming from the external bank which was the customers of Islamic banking who resided in Aceh. Totaling 25 people agreed to take part in this survey. Table 4.18 shows the result of Pearson's correlation test.

Table 4.18 Pearson Correlation Result of Customer Satisfaction for Pilot Study

Items of Customer Satisfaction	M	SD	Item-Total Correlational (n=25)
1. Islamic bank provides proper accommodations for praying.	4.64	1.186	0.181
2. In my concern, products offered by Islamic banking have met the shariah compliance.	4.20	1.155	0.388
3. I am certain, Islamic banking is investing in the halal businesses only.	4.64	0.995	0.575
4. I am sure, the Islamic banking's employees perform all religious obligations	4.04	1.306	0.815
5. In my concern, Islamic banking's employees have adequate religious knowledge.	3.88	1.013	0.759
6. I choose to bank with Islamic bank merely because of religious reasons.	4.92	1.115	-0.456
7. I believe the employees of Islamic bank have performed jobs with their best ability.	4.64	1.075	0.713
8. I am satisfied with the time efficiency of bank employees in completing my transactions.	4.60	1.000	0.629
9. I observe that Islamic bank's employees avoid laziness in working.	4.08	1.498	0.771
10. I am satisfied with the information given by the bank's employee concerning to my queries.	3.96	1.274	0.662
11. I feel that Islamic bank's employee have fulfilled their obligations.	4.32	1.180	0.749
12. I am satisfied with the efficiency of Islamic bank's employee in handling problem on the phone or web.	4.20	1.080	0.525
13. Competition among employees is able to improve quality of work.	4.72	1.137	0.480
14. Competition among Islamic banking is fair	4.40	1.118	0.798
15. I believe internal competition at Islamic banking is fair.	4.32	1.069	0.566
16. I feel the employee of Islamic bank have fulfilled contract with me.	4.84	0.943	0.390
17. I choose to bank with Islamic banks because they have trustworthy workers.	4.24	1.128	0.557
18. I believe the Islamic bank's employee have never come late to work.	3.92	1.256	0.621
19. I think the employees of Islamic banking have worked accordingly to their designated time.	4.24	1.165	0.700
20. I feel the bank employee has worked sincerely	3.96	1.172	0.882
21. In my concern, the transactions of Islamic banking are performed in a transparent way.	4.08	1.256	0.783
22. I feel the bank employee works precisely.	4.56	1.044	0.727
23. I feel that Islamic banks' products are less innovative. (reverse score)	4.52	1.046	0.397
24. I think training will always be desirable for the employee to be more professional.	5.20	0.764	0.478
25. The employees of Islamic banking have worked as their expertise.	4.20	1.155	0.532
26. I feel that Islamic bank has an excellent service.	4.28	1.275	0.795
27. I observe that bank employee is willing to help each other to solve work problem.	4.36	1.350	0.706
28. Islamic bank' employee looked solid in their works.	4.24	1.200	0.768
29. Upon necessary, I notice the bank employee consult with supervisor or among themselves to solve work problem.	4.56	1.121	0.725
30. I feel the Islamic bank employee treats me like "a part of family" when I am banking with them.	3.92	1.320	0.790
31. The employees of Islamic bank have provided adequate assistance on my financial transaction.	4.20	1.118	0.778
32. I am given a free will in choosing the products /services.	4.88	0.833	0.559
33. I feel the bank employee that I am dealing with have been fair to me in my transaction.	4.64	0.700	0.654
34. I believe, no discrimination occurs in the Islamic bank's services.	4.36	1.075	0.786
35. I am happy with the social-friendly features of Islamic bank's personnel.	4.44	1.387	0.777
36. The social funds in the Islamic banking are not merely intended for profit motive.	4.28	1.208	0.654
37. I believe products of Islamic banking will strengthen the economy of the community.	4.56	0.961	0.763

38. I feel secure and comfortable being in the building of Islamic banking.	4.28	1.308	0.660
39. I am pleased with the architectural design of the bank.	3.92	1.754	0.771
40. The Islamic banking has played a good role in alleviating some social problems e.g. helping the poor, charity, etc.	4.20	1.118	0.608
41. I choose Islamic banking because they are offering a fairness profit and loss sharing.	4.60	0.816	0.705

Source: SPSS Output

With the level of significance 0.05, *t*-table required a minimum score for these items is 0.3809. Based on this pattern, most of the items had very high item-total correlational, while some others received average scores. Among these items, item 1 did not surpass the minimum point of reference and thus according this result the item was not valid. However, instead of deleting this item, it is worth examining it more closely. The researcher considers that the low correlational item may be caused by ‘an improper transfer of an item from one to another context’<sup>57</sup> which leads to non-generalizability.

The fact was the item received Mean value at 4.64, meaning that most respondents agreed with the statement. This was also in accordance with the empirical evidence. In Aceh, with its shariah regulation, providing a proper accommodation for praying and other *ibadah* facilities was not only an obligation for Islamic banks and other Islamic institutions, but also all institutions operating within this province. Thus, based on the above arguments and also considering it as an important item in measuring customer satisfaction of Islamic banks in Indonesia particularly Aceh, the researcher maintain the item to be used for a real survey.

#### 4.4 Data Analysis Method

The method for data analysis was used depending on the nature of the data, whether it was secondary data or primary data. The following sections will discuss the techniques used in analyzing the research data.

---

<sup>57</sup> John Hulland, "Use of Partial Least Squares (PLS)," 195-204.



#### **4.4.1 Secondary Data Analysis**

Following to the collection of secondary data, the content analysis technique was utilized to explore the data. Content analysis, a type of secondary data analysis, is used to analyze text, including interview transcripts, newspapers, books, manuscripts, and websites to determine the frequency of specific words or ideas. The results of content analysis allow researchers to identify, as well as quantify, specific ideas, concepts, and their associated patterns, and trends of ideas that occur within a specific group or over time.<sup>58</sup>

Content analysis allows the researcher to test theoretical issues to enhance understanding of the data. Through content analysis, it is possible to distil words into fewer content-related categories. It is assumed that when classified into the same categories, words, phrases and the like share the same meaning.<sup>59</sup> The analysis is aimed to achieve the first objective of this study.

#### **4.4.2 Primary Data Analysis**

The data was analyzed using the Statistical Products and Service Solution (SPSS) software version 20. It aims to accomplish objectives 2, 3, and 4 of this study. The data analyses of descriptive and inferential statistics were employed in this study. It used several statistical analysis tools in order to answer the research questions. The means, standard deviations, *t*-test, one-way ANOVA and a correlation matrix of the variables were provided. In addition, Kruskal-Wallis H test, Mann-Whitney U test and Spearman's rho correlation were employed for non-parametric data.

---

<sup>58</sup> Robert P. Weber, *Basic Content Analysis* (Newbury Park, CA: Sage Publications, 1990).

<sup>59</sup> Stephen Cavanagh, "Content Analysis: Concepts, Methods and Applications," *Nurse Researcher* 4, no. 3 (1997), 5–16.

Descriptive statistics provides simple summaries about the sample and about the observations that have been made. Such summaries may be either quantitative (that is summary statistics), or visual (that is simple-to-understand graphs). These summaries may either form the basis of the initial description of the data as part of a more extensive statistical analysis, or they may be sufficient in and of themselves for a particular investigation.<sup>60</sup> In this study, the descriptive statistics was used to explain comprehensively demographic data, employee's IWE commitment level including the level of customer satisfaction.

Meanwhile, inferential statistics allows the researcher to observe the influence among the factors and draw conclusions from data that is subject to random variation, for example, observational errors or sampling variation. More substantially, it is aimed to describe systems of procedures that can be used to draw conclusions from datasets arising from systems affected by random variation, such as observational errors, random sampling, or random experimentation.<sup>61</sup> Before the inferential statistical analyses were conducted, data normality tests were performed. These tests are the pre-requirement for employing the inferential statistics<sup>62</sup>.

In this study, the inferential statistics was employed to measure the influence of IWE on the employee job satisfaction, organizational commitment, and turnover intention. Additionally, it was also operated to analyze the level of customer satisfaction towards the implementation of IWE at IBIs in Aceh. Various statistical tools were utilized in this study. Cronbanch's alpha, for instance, was applied to test the reliability of all items and the internal consistency. Theoretically, the Cronbach's alpha is a test reliability

---

<sup>60</sup> Sabitha Marican, *Kaedah Penyelidikan Sains Sosial* (Kuala Lumpur, Malaysia: Pearson Prentice Hall, 2005).

<sup>61</sup> Graham Upton and Ian Cook, *A Dictionary of Statistics* (New York, NY: Oxford University Press, 2008).

<sup>62</sup> Sheridan J. Coakes and Clara Ong, *SPSS Version 18.0 for Windows: Analysis Without Anguish* (John Wiley & Sons, 2011), 287.

technique that requires only a single test administration to provide a unique estimate of the reliability for a given test. Cronbach's alpha is the average value of the reliability coefficients one would obtain for all possible combinations of items when split into two half-tests.<sup>63</sup> Meanwhile, to measure the correlation among the items and their validities, Pearson correlation validity test was utilized. Pearson is also used to measure of the correlation (linear dependence) between tested variables.<sup>64</sup>

Further, as some objectives of this study are to examine the influence among the variables, regression analysis was employed as the tool. Regression analysis is a statistical tool for the investigation of relationships between variables.<sup>65</sup> It aims to help researchers understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Most commonly, regression analysis estimates the conditional expectation of the dependent variable given the independent variables—that is, the average value of the dependent variable when the independent variables are fixed.<sup>66</sup> To suit the nature of this study, linear regression was used as the approach. Linear regression is an approach to model the relationship between a scalar dependent variable  $Y$  and one or more explanatory variables denoted  $X$ .<sup>67</sup>

#### 4.5 Conclusion

This chapter has provided overview of on how the research is carried out. In general, the discussions were centered on three main components, research design, data collection

---

<sup>63</sup> Joseph A. Gliem and Rosemary R. Gliem, "Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales" (paper presented at the Midwest Research to Practice Conference in Adult, Continuing, and Community Education, The Ohio State University, Columbus, USA, 2003), 82-88.

<sup>64</sup> Joseph L. Rodgers and W. Alan Nicewander, "Thirteen Ways to Look at the Correlation Coefficient," *The American Statistician* 42, no. 1 (1988), 59-66.

<sup>65</sup> Alan O. Sykes, "An Introduction to Regression Analysis " in *Chicago Working Paper in Law & Economics* (Chicago: University of Chicago, USA).

<sup>66</sup> J. Scott Armstrong, "Illusions in Regression Analysis," *International Journal of Forecasting* 28, no. 3 (2012), 689-694.

<sup>67</sup> *Ibid.*

method, and data analysis method. The highlight was given to the method of sample selection and instrument development. Further, this chapter has showed the importance of conducting preliminary tests to detect weaknesses in design and instrumentation prior to the actual survey. In this study, the tests consist of pre-test or qualitative validation and pilot study. The pre-test was a qualitative validation test in which feedback from experts was taken into account to improve the research instrument. The next phase was quantitative validation or pilot test, to detect problem of reliability of instrument including the language used in the questionnaire. Following to these stages, the actual survey was then performed. After obtaining the data from the actual survey, the data analysis was conducted using statistical descriptive and statistical inferential of SPSS software.

## CHAPTER V

### PROFILE OF ISLAMIC BANKING INSTITUTIONS IN ACEH

#### 5.1 Introduction

This chapter is intended to provide a clear view on the research object. It first discusses the Islamic Banking Institutions (IBIs) as the object of the research along with its development all around the world. Later, this chapter explains the growth of IBIs in Indonesia especially in Aceh where this study is conducted. Further, the chapter specifically discusses each of the selected Islamic banks. The initiative of the banks to implement the IWE is also mentioned.

#### 5.2 Overview of Islamic Banking Institutions

This section discusses the overview Islamic Banking Institutions (IBIs) including their historical background and how they are spreading all around the world.

##### 5.2.1 The Development of Islamic Banking

Generally, the term 'Islamic banking' refers to a system of banking or banking activity that is consistent with the principles of the Sharia (Islamic laws) and its practical application through the development of Islamic economics. The principles which emphasize moral and ethical values in all dealings have wide universal appeal.<sup>1</sup> It has some fundamental differences with the conventional banking system which requires different treatments. According to Maali,<sup>2</sup> the main differences between Islamic banks and its conventional counterpart are as follows:

---

<sup>1</sup> "Islamic Banking: What is Islamic Banking?," website *Institute of Islamic Banking and Insurance*, retrieved on 2 February 2013, [http://www.islamic-banking.com/what\\_is\\_ibanking.aspx](http://www.islamic-banking.com/what_is_ibanking.aspx).

<sup>2</sup> Bassam Maali, "Financial Accounting and Reporting in Islamic Banks: The Case of Jordan" (Doctoral Thesis, University of Southampton, 2005), 330.

- a. Islamic banks use profit and loss sharing arrangements as modes of finance (*mushārah* and *muḍārah* financing) which makes the investments of Islamic banks more risky and thus capital adequacy requirements should be higher for Islamic banks.<sup>3</sup>
- b. Since unrestricted investment deposits, which represent a major source of funds for Islamic banks, are not guaranteed, nor any profit on them—at least from the legal point of views—creates an increased agency problem for depositors.
- c. Islamic banks have trading activities such as *murābahah* and *salām*. Such activities are not usually found in conventional banks.
- d. Islamic banks cannot accept interest on any deposits including those in central banks. In many countries where Islamic banks operate, they are required to keep part of their deposits in the central bank for interest.
- e. Islamic banks have to comply with Sharia rules in their transactions, which create another set of regulations that should be taken into account when setting regulations, a matter unique to Islamic banks.

Some Islamic modes of finance, which depend on profit and loss sharing, were known even before the emergence of Islam. The old mode of *muḍārah*, which in its current modified form represents the major source of funds for Islamic banks, was practiced by Arabs in pre-Islamic times and later approved by the Prophet Muhammad s.a.w. as acceptable form of business.<sup>4</sup> In addition to *muḍārah*, Muslims utilized other forms of financing, such as *murābahah* and *mushārah*. Throughout history, prior to domination by imperialist powers, Muslims managed their finances and carried on domestic and international trade without recourse to interest. Profit sharing and various kinds of participation arrangements served as adequate bases for savings and

---

<sup>3</sup> Luca Errico and Mitra Farahbaksh, "Islamic Banking: Issues in Prudential Regulation and Supervision" (IMF Working Paper, International Monetary Funds (IMF), 1998).

<sup>4</sup> Ahmed Abdel-Fattah El-Ashker, *The Islamic Business Enterprises* (Kent, UK: Croom Helm, 1987).

investment<sup>5</sup>. Financiers as an alternative to bankers featured in Islamic history, providing financing based on profit sharing.<sup>6</sup>

However, after flourished for 14 centuries, Islamic civilization began to stagnate caused mostly by historical and political reasons. Gradually, the Islamic world lost its economic position and became more influenced by Western thought. In the next periods, Muslims witnessed the establishment of Western banks in the Islamic world.<sup>7</sup> Islamic financiers almost disappeared, and Islamic modes of finance were replaced by interest-based instruments.<sup>8</sup> Until mid of 20<sup>th</sup> century, the condition remains the same.

The period of 1940-1970 witnessed the independence of many Muslim countries around the world that affected the way of conducting businesses. This, supported by many factors including the establishment of international Islamic organizations and the revival of Islamic economic literature, led to an increase in the number of Muslims wanting to conduct their business transactions according to Islamic Sharia. This was reflected in the emergence of Islamic banking.<sup>9</sup>

Historically, the interest-free bank (Islamic banking) have begun with the establishment of such bank in Malaysia in the mid-1940s followed by Farmer Credit Union in Pakistan in in the late 1950s, followed by the Mit Ghamer Saving Bank and the Nasser Social bank in Egypt in 1963 and 1972 respectively. However, these banks were social welfare organizations rather than commercial banks.<sup>10</sup> The oldest Islamic commercial

---

<sup>5</sup> Muhammad Nejatullah Siddiqi, *Issues in Islamic Banking* (Leicester, UK: The Islamic Foundation, 1983).

<sup>6</sup> Simon Wolfe, "Regulation and Supervision of Islamic Banks" (IDB Working Paper, Islamic Development Bank, Jeddah, Saudi Arabia, 2000), 1.

<sup>7</sup> Rodney Wilson, "Islamic Banking and its Impact on the International Financial Scene," *Journal of International Banking Law* 10, no. 10 (1995), 437-445.

<sup>8</sup> A.L.M. Abdul-Gafoor, "Historical Development," website *Islamic Banking*, retrieved on 2 February 2013, <http://users.bart.nl/~abdul/chap4.html#4.1>.

<sup>9</sup> Bassam Maali, "Financial Accounting and Reporting," 330.

<sup>10</sup> *Ibid.*

bank is Dubai Islamic Bank in the United Arab Emirates established in 1975,<sup>11</sup> followed by Faisal Islamic Bank in Sudan and Egypt in 1977, Kuwait Finance House also in 1977 and Jordan Islamic Bank in 1979.<sup>12</sup> Within the ten years since the establishment of the first private commercial bank in Dubai, Islamic banking witnessed a rapid increase around the world. More than 50 interest-free banks have come into being in Qatar, Bahrain, Malaysia, Bangladesh, Senegal, Guinea, Turkey, Tunisia, Mauritania, Indonesia and even spread to non-Islamic countries such as Denmark, Luxembourg, Switzerland, Australia, United States, United Kingdom<sup>13</sup> and many others.

### **5.2.2 Islamic Banking in Aceh**

The banking system in Aceh including its Islamic banking system is an integral part of Indonesian banking system as it stands in an integral law system. Thus, the discussion on Islamic banking in Aceh cannot be separated from the discussion of the Indonesian Islamic Banking system. According to the Indonesian Act for Islamic Banking No. 21/2008, Islamic bank is “a bank conducting business based on the Sharia Principles consisting of Islamic Commercial Bank and Islamic Rural Bank.” Meanwhile, Islamic Banking is “all matters concerning Islamic Bank and the Islamic Business Unit, including institution, business operation, and means and process in the implementation of its business operation.”<sup>14</sup>

Further, the Act also divided the type of Islamic banking in Indonesia into three categories, namely *Bank Umum Syariah* (Islamic Commercial Bank), *Unit Usaha Syariah* (Islamic Business Unit), *Bank Pembiayaan Rakyat Syariah* (Islamic Rural Bank). According to the Act in chapter I article 1:

---

<sup>11</sup> Nabil A. Saleh, *Unlawful Gain and Legitimate Profit in Islamic Law* (Cambridge, UK: Cambridge University Press, 1986).

<sup>12</sup> Bassam Maali, "Financial Accounting and Reporting," 330.

<sup>13</sup> A.L.M. Abdul-Gafoor, "Historical Development"; Abdullah Saeed, *Islamic Banking and Interest: A Study of the Prohibition of Riba and its Contemporary Interpretations* (Leiden, Holland: Brill, 1999).

<sup>14</sup> *Act of Islamic Banking* 1.



(1) Islamic Commercial Bank is an Islamic Bank providing services in the transaction of payments; (2) Islamic Rural Bank is an Islamic Bank which does not provide services in the transaction of payment; (3) Islamic Business Unit is a working unit of a Conventional Commercial Bank's head office functioning as head office of offices or units conducting business activities based on the Sharia Principle, or working unit in a branch office of a Bank located overseas conducting conventional business activities functioning as a head office of sub-Islamic branches and/or Islamic unit.<sup>15</sup>

The enactment of Act No. 21/2008 on July 16, 2008 has provided a more adequate legal base to the development of Islamic banking in Indonesia, and consequently will accelerate the growth of the industry. With an impressive development progress reaching an annual average asset growth of more than 65% in the last couple years (2005 – 2012), it was expected that Islamic banking industry would have a more significant role in supporting national economy.<sup>16</sup>

The volume of Islamic banking industry in Indonesia, particularly Islamic Commercial Banks (ICBs) and Islamic Business Units (IBUs) has been experiencing unprecedented growth. As per October 2012, total assets of the industry have reached IDR174.09 trillion<sup>17</sup> ( $\pm$  RM49.10 billion) from IDR127.19 trillion ( $\pm$  RM35.87 billion) in 2011 ( $\pm$  37%).<sup>18</sup> In addition, the asset of Islamic Rural Banks (IRBs) has also experienced 33.09% of growth from IDR3.35 trillion ( $\pm$  RM944.8 million) to IDR4.46 trillion ( $\pm$  RM1.26 billion) in 2012. Thus, the total assets of Islamic banking by October 2012 has reached IDR178.55 trillion ( $\pm$  RM50.36 billion) and it was projected using to growth between 36% - 58% (pessimistic – optimistic) in 2013.<sup>19</sup> The market-share of this industry against conventional banks has also increased from 3.8% in 2011 to 4.3% in 2012. The increase is followed by the growth of depositors' funds by 32.06% or IDR Rp134.45 trillion ( $\pm$  RM37.92 billion) and financing by 40.06% or IDR135.58 trillion ( $\pm$  RM38.24 billion)<sup>20</sup>.

---

<sup>15</sup> *Ibid.*

<sup>16</sup> Bank Indonesia, *Islamic Banking Statistics 2011* (Jakarta: Bank Indonesia, 2011).

<sup>17</sup> Bank Indonesia, *Outlook Perbankan Syariah Tahun 2013* (Jakarta: Bank Indonesia, 2012).

<sup>18</sup> Bank Indonesia, *Outlook Perbankan Syariah Indonesia 2012* (Jakarta: Bank Indonesia, 2011), 1-30.

<sup>19</sup> Bank Indonesia, *Islamic Banking Statistics 2011*.

<sup>20</sup> RM 1 = Rp 3,527.56 on 25 June 2015 at 15.54 PM Malaysian Time.

In term of quantity, the number Islamic banks remain the same in the last couple years, but the number of offices has increased significantly by 2013. According to Bank Indonesia, as per October 2013, the number of offices of ICBs and IBUs were 1,950 and 576 offices, respectively. Meanwhile, the number of offices of IRBs was 413 offices.<sup>21</sup> Table 5.1 shows the growth of Islamic banking offices from 2006 to 2013.

Table 5.1 Islamic Banking Network in Indonesia

<b>Islamic Banks</b> <b>Year</b>	<b>Islamic Commercial Bank</b>		<b>Islamic Business Unit</b>		<b>Islamic Rural Bank</b>	
	<b>Bank</b>	<b>Office</b>	<b>Bank</b>	<b>Office</b>	<b>Bank</b>	<b>Office</b>
2006	3	349	20	183	105	105
2007	3	401	26	196	114	185
2008	5	581	27	241	131	201
2009	6	711	25	287	138	225
2010	11	1,215	23	262	150	286
2011	11	1,401	24	336	155	382
2012	11	1,745	24	517	158	401
2013	11	1,950	23	576	160	413

Source: Islamic Banking Statistic, Bank Indonesia, October 2013

The growth of Islamic banking in Indonesia in general is directly contributed by the performance of the banks throughout Indonesia including Aceh. Data from Bank Indonesia shows that as per 3<sup>rd</sup> quarter 2012, the growth of assets of ICBs in Aceh has reached 30.91% or IDR3.91 trillion ( $\pm$  RM1.11 billion). Similar growth has been followed by IRBs along with its conventional counterpart reaching almost 10%.

Another positive of growth indicator showed by Islamic banking in Aceh is the ratio of Non-Performance Financing (NPF) remains at level 4.39% in the middle of the expansion of financing activities by the 3<sup>rd</sup> quarter 2012.<sup>22</sup> Whilst, Financing to Deposit Ratio (FDR)—the proportion of financing compare to depositor fund collected—

<sup>21</sup> *Ibid.*

<sup>22</sup> Bank Indonesia, *Kajian Ekonomi Regional Provinsi Aceh*, vol. 3<sup>rd</sup> Quarter 2012 (Banda Aceh: Bank Indonesia, 2012).

slightly decrease comparing to the previous quarter. The growth detail of Islamic banking in Aceh is presented in the following table.

Table 5.2 Growth of Islamic Banking in Aceh per Quarter III-2012

Indicator	Measure ment Unit	2011				2012		
		1	2	3	4	1	2	3
Total Asset	IDR (trillion)	2,791	2,855	2,992	3,141	3,546	3,706	3,917
Growth	(yoy, %)	44.60%	26.83%	26.01%	14.25%	27.07%	29.79%	30.91%
Growth	(qtq, %)	1.52%	2.31%	4.80%	4.96%	12.91%	4.50%	5.71%
Depositor Fund	IDR (trillion)	1,313	1,353	1,451	2,016	1,767	1,623	1,738
Growth	(yoy, %)	32.81%	19.75%	31.33%	59.99%	34.65%	19.90%	19.77%
Growth	(qtq, %)	4.19%	3.10%	7.21%	38.92%	-12.32%	-8.19%	7.10%
Financing	IDR (trillion)	1,936	2,077	2,298	2,336	2,397	2,549	2,646
Growth	(yoy, %)	103.20%	74.30%	68.53%	47.06%	23.78%	22.71%	15.12%
Growth	(qtq, %)	21.89%	7.25%	10.65%	1.66%	2.59%	6.33%	3.81%
FDR	%	147.53%	153.47%	158.40%	115.92%	135.63%	157.07%	152.24%
NPF-gross	%	1.81%	3.04%	4.08%	3.66%	4.16%	4.38%	4.39%

Source: Kajian Ekonomi Regional Prov. Aceh, Bank Indonesia, 3<sup>rd</sup> Quarter, 2012

The abovementioned explanations show the fact that Islamic banking has become more important and played more significant role year by year in the Acehnese society. It was revealed by the increase of depositor funds and financing activities at 19.77% and 15.12% respectively. Thus, it seems that Islamic banking has becoming more interesting for the Acehnese society and the awareness to perform the financial activities in accordance with Sharia has also increased.

### 5.3 Profile of Research Object

As mentioned earlier in Chapter IV, the object of study for this research is the Islamic banks that are operating in Aceh. As shown in Table 5.1, by the end of 2013, there were 11 ICBs, 23 IBUs, and 160 IRBs were operating all around Indonesia. In Aceh alone, there were five ICBs, five IBUs and 10 IRBs operating.<sup>23</sup> Of that numbers, seven

<sup>23</sup> Bank Indonesia, *Islamic Banking Statistics 2012* (Jakarta: Bank Indonesia, 2012).

Islamic banks were selected as the sample based on characteristics mentioned in Chapter IV.

Among the group, four ICBs, one IBU and two IRBs were included in the survey. The selected ICBs consisted of Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSM), Bank Rakyat Indonesia Syariah (BRIS), and Bank Negara Indonesia Syariah (BNIS). Meanwhile, Bank Aceh Syariah (BAS) was the only IBU operating in Aceh that met the criteria. Additionally, the selected IRBs consisted of Bank Pembiayaan Rakyat Syariah Hikmah Wakilah (BHW) and Bank Pembiayaan Rakyat Syariah Hareukat (BHR). The following section will discuss the profile of each selected bank. Table below shows the selected Islamic banks for this research object.

Table 5.3 The Selected Islamic Banks

Type of Bank	Name of Bank
Islamic Commercial Banks	1. Bank Muamalat Indonesia (BMI)
	2. Bank Syariah Mandiri (BSM)
	3. Bank Rakyat Indonesia Syariah (BRIS)
	4. Bank Negara Indonesia Syariah (BNIS)
Islamic Business Units	5. Bank Aceh Syariah (BAS)
Islamic Rural Banks	6. Bank Pembiayaan Rakyat Syariah Hikmah Wakilah (BHW)
	7. Bank Pembiayaan Rakyat Syariah Hareukat (BHR)

### 5.3.1 Bank Muamalat Indonesia

Bank Muamalat Indonesia (BMI) is the first commercial bank in Indonesia that is operating based on the principle of Islamic banking. The bank was founded on 1<sup>st</sup> November 1991, based on the initiative of the *Majelis Ulama Indonesia* (MUI) or Indonesian Council of Ulamas and under the auspices of the Government of Indonesia. It was officially commenced its operations on 1 May 1992. In addition to the support of the *Ikatan Cendekiawan Muslim Indonesia* (ICMI) or Indonesian Association of Muslim

Intellectuals and a group of Muslim entrepreneurs, the founding of BMI also won the support of the public, evidenced by an IDR 84 billion ( $\pm$  RM23.7 million)<sup>24</sup> pledge for the purchase of the Bank's shares on the date when the Articles of Association was signed.<sup>25</sup>

After operating more than two decades, BMI currently is one of the biggest ICBs in Indonesia. It provides services for nearly 3 million customers through its 442 branch outlets, 50 mobile branches, more than 4000 Online Post Office/SOPP, and 1,001 ATMs including 39,000 ATM Bersama/Prima networks, as well 95,000 debit merchant across Indonesia and more than 2,000 ATMs within the Malaysian Electronic Payment System (MEPS) network. Besides, BMI's *Shar-E Gold* Debit Card accepted by millions of merchants in more than 170 countries all over the world.<sup>26</sup>

As of December 2012, the number of BMI's employees were 4,933 people and it was a huge increase of 72.05% comparing to the end of 2011 of 3,556 employees. The fluctuation was due to the company's accelerated conversion program of outsourced employees to full-time or contract employees. Total assets BMI by September 2013 was IDR 50.76 trillion ( $\pm$  RM14.3 billion) and the growth was 38.10% by that year.<sup>27</sup> It was above the average growth in the Islamic banking industry in 2012 which was only 34.06%. Additionally, BMI controlled over 23% market share in the industry as per 2012.<sup>28</sup> These situations put BMI as the second largest Islamic bank in Indonesia in term of asset, employees, and market share.

As the first Islamic Bank in Indonesia, BMI committed to deliver banking services that not only comply to sharia, but also competitive and accessible to the public.

---

<sup>24</sup> RM 1 = Rp 3,527.56 on 25 June 2015 at 15.54 PM Malaysian Time.

<sup>25</sup> Bank Muamalat Indonesia, "Tentang Muamalat: Profil Muamalat," website *Bank Muamalat Indonesia*, retrieved on 17 November 2013, <http://www.muamalatbank.com/home/about/profile>.

<sup>26</sup> Bank Muamalat Indonesia, "Hubungan Investor: Laporan Tahunan," website *Bank Muamalat Indonesia*, retrieved on 17 December 2013, [http://www.muamalatbank.com/home/investor/annual\\_report](http://www.muamalatbank.com/home/investor/annual_report).

<sup>27</sup> Unaudited Quarterly Financial Report of Bank Muamalat Indonesia as of 30 September 2013.

<sup>28</sup> Bank Muamalat Indonesia, *Annual Report 2012: The Great Leap Forward* (Jakarta: Bank Muamalat Indonesia, 2012), 532.

Consequently, the appreciation is continuously coming from the government, mass media, national and international institutions. More than 70 prestigious awards have been received by BMI in the last five years including the Best Islamic Bank in Indonesia 2009-2012 (Islamic Finance News, Kuala Lumpur), the Best Islamic Financial Institution in Indonesia 2009-2012 (by Global Finance Award, New York), the Best Islamic Finance House in Indonesia 2009-2012 (Alpha Southeast Asia, Hong Kong), Sharia Top Brand 2012, Property and Bank Award 2012, and many others.<sup>29</sup>

In regard to the IWE initiative, BMI as the pioneer of Islamic banking in Indonesia has integrated the Islamic ethical values into its corporate culture. The culture upholds moral and faith values according to Islamic principles, upholds the practices of honesty since early recruitment, and the prohibition to receive any form of compensation from customers and partners. In addition, BMI is also very firm in dealing with reputation risk due to the unethical behaviors of its employees that do not comply with culture, ethics, and law, as well as the company's vision and mission. Further, the employees (staff and officials) are also required to state an oath, both oral and written, in which consist of seven behaviors that must be accounted for, namely:

- Obey the regulations and provisions of the company
- Preserve the bank's and the company's confidentiality
- Refuse to accept compensations in any forms in relation to tasks or position
- Uphold the company's and employees' honor
- Work according to the Sharia principles
- Rely upon Islamic morals in conducting daily routines
- Responsible for the mistakes and violations conducted by Bank Muamalat Indonesia, always uphold benefit oriented business ethics, especially in relation to customer and stakeholders' satisfaction.<sup>30</sup>

These actions are in line with the obligation—required by Indonesian banking authority—to implement Good Corporate Governance (GCG). The implementation of GCG serves as foundation for the bank to achieve its vision and mission statements as

---

<sup>29</sup> *Ibid.*

<sup>30</sup> Bank Muamalat Indonesia, *Annual Report 2013: Managing the Challenge of Growth* (Jakarta: Bank Muamalat Indonesia, 2013), 612.

well as to achieve sustainable growth into the future. The core notion of BMI's spirit is a business horizon in which lies the GCG principles of transparency, accountability, responsibility, professional/independence, fairness, social awareness, and concerns materialized through total devotion and obedience to Allah SWT.<sup>31</sup>

### **5.3.2 Bank Syariah Mandiri**

The forerunner of Bank Syariah Mandiri (BSM) was Bank Industri Nasional (BINA) that was founded in 1955. The bank existed until 1967 when it was sold and renamed into Bank Maritim Indonesia (MARI). Similar to BINA, MARI was also not last very long and it was operated until 1973 when the management of the company decided to rename it once more time to become Bank Susila Bakti (BSB) due to the altering in shareholder' composition. When the severe monetary crisis hit Indonesia in 1998, BSB collapsed that forced the Indonesian government to take over and placed it under control of *Badan Penyehatan Perbankan Nasional (BPPN)*, the Indonesian Bank Restructuring Agency. In the meantime, to save the economy, the Indonesian government decided to merge four state-owned banks into a new robust bank called Bank Mandiri in July 1999. Following to this merger, Bank Mandiri was decided by the government to own the BSB.<sup>32</sup>

Earlier in 1998, the Government of Indonesia has issued an Act no. 10/1998 that allows a conventional bank to provide Islamic transactions in what so called a dual banking system. In response to this act, Bank Mandiri consolidated a team to comprehend the possibility of creating an Islamic bank. Thus, based on the team's recommendation, Bank Mandiri converted Bank Susila Bakti (BSB)—that had been previously owned—into a full pledge Islamic bank in 1999. Following to this conversion and approval from

---

<sup>31</sup> *Ibid.*

<sup>32</sup> Bank Syariah Mandiri, *Laporan Tahunan 2012: Greater Ways for Greater Indonesia* (Jakarta: Bank Syariah Mandiri, 2012).

the central bank of Indonesia (BI), BSB was renamed into Bank Syariah Mandiri (BSM) and officially started its operation on 25 Rajab 1420 H or 1 November 1999.<sup>33</sup>

Since then BSM has been transformed to become the biggest Islamic bank in Indonesia in term of assets, employees and market share. As per May 2013, BSM had 796 offices operating in 33 provinces in Indonesia with total employees was 16,554 people. Total assets BSM as per October 2013 were IDR 62.81 trillion<sup>34</sup> and it controls more than 35% of Islamic banking's market share in Indonesia<sup>35</sup>. To run its large operations, BSM support its activities through a very wide coverage network consist of 825 ATM Syariah Mandiri, 10,361 ATM Mandiri, 47,669 units of ATM Bersama, 50,316 units of ATM Prima, 196,870 units of EDC BCA, 10,596 of ATM BCA and 7,435 units of ATM within the Malaysia Electronic Payment System (MEPS).<sup>36</sup>

Besides, BSM is also known for its quality services and has received many prestigious awards from both national and international institutions. Since 2009, BSM has received nearly 120 prominent awards including IT Banking Excellence Award 2013, Indonesia Middle-Class Brand Champion 2013, and Product Category KPM & KPR Syariah 2013. In addition, the bank has also granted Indonesia Brand Champion 2013, Best Syariah Award 2013, Best Islamic Bank Award 2013, Banking Service Excellence Award 2013, The Best Islamic Bank in Indonesia 2013, The Best Islamic Full Pledged Bank 2013, Platinum Award the Best Islamic Bank 2008-2012, Asiamoney Islamic Bank Award 2012 and many others.<sup>37</sup>

The implementation of IWE within the bank is reflected by its corporate values, known as BSM Shared Values. These values consist of Excellence, Teamwork, Humanity, Integrity, and Customer focus, simply called as ETHIC. In the implementation level,

---

<sup>33</sup> *Ibid.*

<sup>34</sup> Unaudited Quarterly Financial Report of Bank Syariah Mandiri as of 30 September 2013.

<sup>35</sup> Infobanknews, "BSM Kuasai 35% Aset Perbankan Syariah," website *infobanknews.com*, 18 October 2013, retrieved on 10 November 2013, <http://www.infobanknews.com/2013/10/bsm-kuasai-35-aset-perbankan-syariah/>.

<sup>36</sup> Bank Syariah Mandiri, *Laporan Tahunan 2012*.

<sup>37</sup> *Ibid.*



they were combined with five the “TARProF” principles of good corporate governance (GCG)—that was required by Indonesian banking authority—namely Transparency, Accountability, Responsibility, Professional, and Fairness. Having these values and principles on board, all individuals in the bank are encouraged to strive for excellence through integrated and continuous improvements, develop a work environment with mutual synergy, and uphold humanity and religious values. They were also encouraged to comply with professional ethics, thinking and behaving with high morale, and understand and serving the customer needs to make the bank a reliable and profitable partner.<sup>38</sup>

Based on these values, some actions have been undertaken. For the employees, the bank regularly initiates family and employee gathering regularly to promote equality and fair treatment. The bank also formed BSM Club to support the employees’ hobby-based activities to assure the employees’ healthiness. Under this club, the employees can participate in one or several activities that mostly fulfilled his/her interest, such as the clubs of Islamic religious study, soccer, badminton, tennis, book readers, nature-interest, and many others. In addition, the bank conducts morning praying forum each morning, Wednesday and Friday recital forums<sup>39</sup>.

For customers, the bank provides services with quality that exceed customers’ expectation and respects them equally. Customers’ data confidentiality is assured while expanding network and service type. Meanwhile, the actions for society have been translated into building some infrastructures/facilities, and partnering with LAZNAS (the zakat collector institutions) in performing Corporate Social Responsibilities (CSR)’s activities. These activities bring the company to the next level in implementing the IWE on daily basis<sup>40</sup>.

---

<sup>38</sup> Bank Syariah Mandiri, *Sustainability Report 2013: Stronger Fundamentals for Greater Indonesia* (Jakarta: Bank Syariah Mandiri, 2013), 127.

<sup>39</sup> *Ibid.*

<sup>40</sup> *Ibid.*

### 5.3.3 Bank Rakyat Indonesia Syariah

Comparing to other Islamic in Indonesia, Bank Rakyat Indonesia Syariah (BRIS) is relatively new. Its operations as a fully pledged Islamic Bank were begun at the end of 2008. Previously, the bank was operating as an IBU of Bank Rakyat Indonesia (BRI) which was established in 2002. At the end of 2007, the central Bank of Indonesia (BI) issued a regulation that requires a bank operating in Indonesia to hold a minimum capital of IDR 100 million ( $\pm$  RM28.2 million)<sup>41</sup> which was then forced some banks to add capital, merge or be sold by the owners. This condition was seen as an opportunity by the management of BRI to acquire another bank as an additional asset in order to establish a fully pledge Islamic bank. Thus, on December 2007 BRI acquired Bank Jasa Arta and transferred its assets into BRI's Islamic unit. Following to this acquisition and after getting the approval from the central bank, BRIS officially started its operation on 17 November 2008.<sup>42</sup>

Only four years after its establishment, BRIS has transformed to become one of the largest Islamic commercial bank in Indonesia in term of asset. According to its yearly financial report, BRIS total asset per September 2013 is reaching IDR17 trillion ( $\pm$  RM4.8 billion).<sup>43</sup> Until the end of 2012, total BRIS employees reached to 4,675 comprising of permanent, contract and outsourced employees. The opportunity to continue growing and expanding is widely opened due to the synergy with BRI as the parent company through the use of BRI's wide coverage network. In the year of 2012, BRIS strengthened its service standards through the optimum utilization of information technology advantages. The innovation in information technology utilization not only brings efficiency in business process and promotes quality of services but also successfully improves the performance of the company and access for its millions of customers.<sup>44</sup>

---

<sup>41</sup> RM 1 = Rp 3,527.56 on 25 June 2015 at 15.54 PM Malaysian Time.

<sup>42</sup> BRI Syariah, *Annual Report 2012: Easy Access Leads the Market* (Jakarta: BRI Syariah, 2012).

<sup>43</sup> Unaudited Quarterly Financial Report of Bank Rakyat Indonesia Syariah as of 30 September 2013.

<sup>44</sup> *Ibid.*

Such a serious commitment to promote innovation in information technology has led BRIS to break a world record as the world's first Islamic bank that delivers mobile banking services at four online markets. The recognition from the World's Record Museum of Indonesia on December 2012 was a proof of that recognition. In addition, numbers of award have also been received in the past four years such as Champion of Most Popular Brand in Islamic Banking 2013, the Best Ratio Performance in Complaint Handling 2013, Top Brand Award 2010-2013, Excellent Service Experience Award 2013, Banking Service Excellence Award 2010-2013, Marketing Award 2013, and so forth. The awards were part of recognitions from many organizations for the leading performance and the anticipating action for future business growth.<sup>45</sup>

In term of IWE initiative, the bank has stated in its annual report<sup>46</sup> that in its operations, the bank is not only pursuing financial advantages but it also has the obligation to meet social responsibility to the people through programs and activities that are integrated with the company's grand strategy. The IWE initiative has a clearer insight when referring to its corporate culture, namely professional, enthusiasm, appreciation for human resources, *tawakkal*, integrity, business oriented, and customer satisfaction. These values serve as a reference for each policy and action of the bank in performing daily operations. All individuals in the bank are not only required to have high competence but also integrity and good behavior as the main pillars of and determiner for successful business operations<sup>47</sup>. Reward and punishment system is applied fairly to encourage people to do the best, whilst keeping them from doing bad.

The Bank also actively involved in corporate social responsibility (CSR) under the program "BRISyariah Peduli" focusing on education, health, economy empowerment, *dakwah* and construction of worship's houses, including aids for the victims of natural

---

<sup>45</sup> BRI Syariah, "Awards," website *BRI Syariah*, retrieved on 14 November 2013, [www.brisyariah.co.id/?q=awards](http://www.brisyariah.co.id/?q=awards).

<sup>46</sup> BRI Syariah, *Annual Report 2013: Giving More and Getting Closer* (Jakarta: BRI Syariah, 2013), 246.

<sup>47</sup> *Ibid.*

disaster. Concerning to the sharia compliances, Sharia Supervisory Board regularly carries out supervision. For example, reviews of new product or modified product in relation to its suitability to sharia principles, consultation related to sharia practice and principles, onsite visit and socialization to branches and monitoring the follow-up of internal audit finding in case of unsuitability with sharia principles.

#### **5.3.4 Bank Negara Indonesia Syariah**

Bank Negara Indonesia Syariah (BNIS) was initially established on 29 April 2000 as an IBU of Bank Negara Indonesia (BNI) in respond to a growing demand for banking system that could withstand economic crisis. The establishment of the bank was marked by the opening of five branch offices in Yogyakarta, Malang, Pekalongan, Jepara, and Banjarmasin. In response to the Indonesia Islamic Banking Act No. 21/2008 and Bank Indonesia's Regulation No. 11/10/PBI/2009, BNI formed a team to comprehend the transformation of BNI's IBU into a fully pledge Islamic bank.<sup>48</sup>

On 19 June 2010, upon receiving approval from the central bank of Indonesia (BI), BNIS was officially established as an ICB with 27 branch offices and 31 supporting branch offices. As per December 2010, the Bank successfully recorded IDR 6.4 trillion in assets, a 21% increase compared to June 2010. By the end of 2012, BNIS has operating 64 branch offices, 161 sub-branch offices, 17 cash offices, 22 moving offices, 16 payment points and more than 1,000 BNI Sharia Channeling Outlets (SCO BNI)<sup>49</sup> with a total assets amounted to IDR13.1 trillion (as of June 2013).<sup>50</sup> If compared to sharia banking asset, in 2012, BNI Syariah led market share amounted to 5.46%. From 35 ICB and IBU in Indonesia, the bank's asset was in the 4<sup>th</sup> position by 2012.<sup>51</sup>

From beginning of its operations, BNI has received number of awards including the Best Corporation for Learning Organization 2013, Excellent Service Experience Award

---

<sup>48</sup> BNI Syariah, *Annual Report 2012: Reliable Banking Partner* (Jakarta: BNI Syariah, 2012), 114.

<sup>49</sup> *Ibid.*

<sup>50</sup> Around RM3.7 billion, based on an Unaudited Quarterly Financial Report of Bank Negara Indonesia Syariah as of 30 June 2013

<sup>51</sup> BNI Syariah, *Annual Report 2012*, 114.

2013, Silver Brand Champion of Most Popular Brand 2013, Indonesia Brand Champion 2012, Customer Loyalty Award 2012, Digital Brand of The Year 2012, Enterprise Risk Management Award 2012, and so forth.<sup>52</sup> These awards were parts of the recognitions from customers and organizations for its good services and performance.

In concern to IWE initiative, BNIS has created vision and mission in which was then followed by the establishment of BNIS's values, namely *Amanah* and *Jama'ah*. The values were translated into several conducts<sup>53</sup>, which are:

1. *Amanah*
  - Honest and fulfil promises
  - Responsible
  - Dedicated to deliver best performance
  - Work sincerely and uphold worship goodwill
  - Deliver services which exceeds the expectation
2. *Jama'ah*
  - Caring and courage in giving as well as taking constructive feedback
  - Build kinship synergy
  - Share useful knowledge
  - Understand working process interrelation

More specifically, the bank's values provide Islamic ethical guidance for all individuals in the bank through 19 items of code of conduct<sup>54</sup>. The items are as follow:

1. Perform business activities by referring to sharia principle, in *kaffah* and *istiqamah* manner.
2. Perform business activities that provide benefit (*maṣlahah*) and universally applied.
3. Record data and formulate reports of BNI Syariah in correct and accurate manners.
4. Do not abuse position.
5. Avoid conflict of interest.
6. Do not bribe or receive and/or provide gratification and reward (*risywah*).
7. Preserve BNI Syariah's reputation
8. Preserve Bank's confidentiality.
9. Do not utilize corporate identity except for official purpose.
10. Enhance and develop competencies.
11. Be a role model for the neighborhood
12. Fair attitude.
13. Provide accurate information in line with the provision.

<sup>52</sup> BNI Syariah, "Awards," website *BNI Syariah*, retrieved on 17 December 2013, <http://www.bnisyariah.co.id/en/awards>.

<sup>53</sup> BNI Syariah, *Annual Report 2013*, 246.

<sup>54</sup> *Ibid.*

14. Preserve good relation (*ukhuwwah*) with other BNI Syariah personnel.
15. Be a spokesperson on behalf of BNI Syariah's interest.
16. Do not participate in political party activity.
17. Maintain occupational security as well as working environment cleanliness.
18. Protect and utilize BNI Syariah's asset in appropriate and responsible manners.
19. Hold commitment towards social and environment awareness.

These codes of conduct are actively disseminated using several media such as portal, oral dissemination, training, and others. They are implanted through internal activities, such as the events of *Amanah Day*, and sharing knowledge that are conducting regularly to maintain the compliance with the corporate culture above mention. Having these codes on the company make easier for the bank to implement the five principles of Good Corporate Governance (GCG)—fairness, transparency, responsibility, accountability, and professionalism—that was regulated by the Indonesian banking authority. The passion to be a reliable banking partner encourages the bank to always provide the best in terms of business activity as well as in a broader sense. In terms of business activity, this passion has led the bank to an encouraging achievement in 2013. Meanwhile, in a broader sense, this passion has encouraged them to implement the values of *hasanah* on a broader scope as well as the manifestation of work culture namely *amanah* and *jama'ah*.<sup>55</sup>

### **5.3.5 Bank Aceh Syariah**

Bank Aceh Syariah (BAS) is an IBU of Bank Aceh, an Aceh's provincial state-owned company. It was established on 19 October 2004 based on the approval of the Central Bank of Indonesia (BI) No. 6/4/DPBs/BNA. Soft opening was conducted on 5 November 2004, but the operation was officially starting from 6 December 2004. Unfortunately, 20 days after its operation, BAS has faced unprecedented obstacles when earthquake and tsunami disasters hit Banda Aceh and its surrounding areas on 26 December 2004. During the disaster, BAS suffered many losses of employees,

---

<sup>55</sup> *Ibid.*

customers as well as physical assets.<sup>56</sup> Nevertheless, the operational of BAS started over and slowly yet certain improve its business development year of year. By September 2013, asset BAS was more than IDR 2 trillion, which shows a significant improve comparing to the position of December 2012 at IDR 1.5 trillion.<sup>57</sup>

BAS supports its operation by utilizing all resources from its parent company, the Bank Aceh, including employee, office network, ATM and so forth. Therefore, the employees of BAS are working as a part of 1,518 employees of Bank Aceh. In addition, by the end of 2012 BAS was operating using 108 Bank Aceh's network offices throughout Aceh and part of North Sumatra province. BAS was also utilizing 85 units of ATM Bank Aceh including 47,669 units of ATM Bersama and 7,435 units of ATM in the Malaysia Electronic Payment System (MEPS) to support its operations.<sup>58</sup> These facts have placed BAS as the largest IBU of a conventional bank operating in Aceh as per December 2012.

As a business unit of Bank Aceh, BAS has followed the company strategic plan to conduct the strategic transformation in all areas including corporate culture, business transformation, appearance transformation, and so on. These transformations are aimed to provide the best service for its stakeholders. The efforts has resulted some recognitions from many organizations through number of awards. Some of them are:<sup>59</sup> the most prudent Islamic division asset under IDR 500 billion (Karim Business Consulting 2008); the most efficient Islamic division asset under IDR 500 billion (Karim Business Consulting 2008); the most expansive financing *iB* BPD at the 8<sup>th</sup> Islamic Finance Award in Jakarta on 10 November 2011; 1<sup>st</sup> rank as the most efficient sharia unit for asset  $\geq$  IDR 500 billion at the 8<sup>th</sup> Islamic Finance Award in Jakarta on 10 November 2011; 1<sup>st</sup> rank as the most profitable sharia unit for asset  $\geq$  IDR 500 billion at

---

<sup>56</sup> Bank Aceh, *Annual Report 2012: Strategic Transformation, Building and Strengthening Foundation of Bank Business Growth* (Banda Aceh: Bank Aceh Syariah, 2012), 282.

<sup>57</sup> Unaudited Quarterly Financial Report of Bank Aceh Syariah as of 30 September 2013

<sup>58</sup> Bank Aceh, *Annual Report 2012*, 282.

<sup>59</sup> Bank Aceh, "Awards," website *Bank Aceh*, retrieved on 15 December 2013, [http://www.bankaceh.co.id/?page\\_id=242](http://www.bankaceh.co.id/?page_id=242).

the 8<sup>th</sup> Islamic Finance Award in Jakarta on 10 November 2011; 3<sup>rd</sup> rank as the best sharia unit for asset  $\geq$  IDR 500 billion at the 8<sup>th</sup> Islamic Finance Award in Jakarta on 10 November 2011; and the best Islamic business unit 2011 for asset above IDR 500 billion by Investor Magazine on 3 August 2011.

In regard to IWE implementation, BAS as an IBU of Bank Aceh is still relied on the culture of its parent company. Fortunately, this was accommodated wisely as the whole corporate image for the company is Trust and Partnership. In addition, to achieve bank's vision and mission, there are five pillars that are implied as the corporate values<sup>60</sup>, namely:

1. Working is a religious service to Allah SWT, therefore it has to be done with faith and God-fearing.
2. Integrity and professionalism of employees and management.
3. Management of the bank is conducted well and highly competitive.
4. Highly satisfied services for customers.
5. The employees' achievement and prosperity are granted by Allah SWT.

These pillars were then translated into values and executable activities as can be seen in the Table 5.4.

Table 5.4 Corporate Culture of BAS

Values	Definition	Basic Behaviors
1. Trust	Building mutual trust among elements of stakeholders.	<ul style="list-style-type: none"> <li>- Mutual respect</li> <li>- Honest and transparent</li> </ul>
2. Professional and Integrity	Performing work commitment responsibly, accurately, completely, and timely.	<ul style="list-style-type: none"> <li>- Responsible</li> <li>- Provide the best solution</li> <li>- Competent</li> <li>- Discipline</li> <li>- Endurance</li> </ul>
3. Customer Satisfaction	Providing a high value added for the business partners	<ul style="list-style-type: none"> <li>- Provide excellence service</li> <li>- Hospitality and responsive on the customers' needs</li> </ul>
4. Growth Together	Synergizing through a continuous mutually benefited partnership	<ul style="list-style-type: none"> <li>- Understand and fulfill the business' needs</li> <li>- Knowledgeable and open-minded</li> </ul>
5. Sustainable Effort	Encouraging creativity in all sectors to gain the optimal value added	<ul style="list-style-type: none"> <li>- Creative and innovative</li> <li>- Business oriented</li> <li>- Improve sustainably</li> </ul>

Source: Annual Report of Bank Aceh, 2013<sup>61</sup>

<sup>60</sup> Bank Aceh, *Annual Report 2013: The Momentum of Change to be a Regional Bank's Champion* (Banda Aceh: Bank Aceh, 2013), 286.

<sup>61</sup> Bank Aceh, *Annual Report 2013*, 286.



### 5.3.6 Bank Pembiayaan Rakyat Syariah Hikmah Wakilah

Bank Pembiayaan Rakyat Syariah Hikmah Wakilah (BHW) is an IRB that operation is specifically aimed to serve the micro and small business. BHW as a company was founded on 14 September 1994 in Banda Aceh based on the establishment act from Ministry of Justice Republic of Indonesia No. C-218-714.HT 03.03/1994. BHW was officially operating on July 1995 upon the approval from Ministry of Finance No. Kep-199/KM.17/1995.<sup>62</sup>

By September 2013, BHW was the largest IRB in Aceh in term of asset. Its total assets were IDR 20.1 billion ( $\pm$  RM5.7 million).<sup>63</sup> For an IRB, this amount is considered big as compared to other IRBs that are operating all around Indonesia. BHW is operating within the areas of Banda Aceh and Aceh Besar with 25 employees. In its headquarter office in Banda Aceh, BHW employed 20 staffs while the rests were stationed at branch office in Lambaro, Aceh Besar. BHW focuses on micro/small businesses and individuals that are operating around Banda Aceh and Aceh Besar. Among other IRBs in Aceh, BHW was claimed to be the best bank in this sector. This claim was supported by the recognition from Bank of Indonesia which awarded BHW the Best Performance IRB in Aceh for the year 2013.<sup>64</sup>

Similar to ICBs, the implementation of IWE was reflected in their daily activities as a part of Islamic banking. As a rural bank, BHW focus on providing service for lower middle class people. They were mostly small business owners who were operating within Banda Aceh and its surrounding areas. Thus, the implementation of five principles of Good Corporate Governance (GCG), which are fairness, transparency,

---

<sup>62</sup> BPRS Hikmah Wakilah, *Laporan PT BPRS Hikmah Wakilah* (Banda Aceh: BPRS Hikmah Wakilah, 2012).

<sup>63</sup> BPRS Hikmah Wakilah, "Laporan Keuangan Publikasi Bank Pembiayaan Rakyat Syariah," website *Bank Indonesia*, 2013, retrieved on 15 December 2013, <http://www.bi.go.id/id/publikasi/laporan-keuangan/bank/bpr-syariah/Default.aspx>.

<sup>64</sup> BPRS Hikmah Wakilah, *Laporan PT BPRS Hikmah Wakilah*.

responsibility, accountability, and professionalism, as it was regulated by the Indonesian banking authority, mostly applied for this kind of customers. Although viewing a similar concept with bigger Islamic banks, the approach was not similar. The IWE values were initiated and injected into the corporate cultures of this bank, which are (1) consistent with the Islamic principle, (2) high work ethic, and (3) professional and integrity. These cultures were translate into several executable actions to which all individuals of bank have to conform in their daily activities, as can be observed from Table 5.5.

Table 5.5 Corporate Culture of BHW

Consistent with Islamic principle	High work ethic	Professional and integrity
<ul style="list-style-type: none"> <li>▪ Work is consider as worship</li> <li>▪ Hospitable and friendly</li> <li>▪ <i>Akhlaqul qarimah</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ Discipline</li> <li>▪ Responsible</li> <li>▪ Teamwork</li> <li>▪ Process and result oriented</li> <li>▪ Creative</li> <li>▪ Innovative</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continual improvement</li> <li>▪ Siddiq</li> <li>▪ Amanah</li> <li>▪ Fatanah</li> <li>▪ Ikhlas</li> <li>▪ Excellence service</li> </ul>

Source: Company Profile of BHW<sup>65</sup>

### 5.3.7 Bank Pembiayaan Rakyat Syariah Hareukat

Bank Pembiayaan Rakyat Syariah Hareukat (BHR) has a long history for its contribution in the establishment of Islamic Banking Institutions (IBIs) in Indonesia in general and Aceh in particular. BHR is one of the pioneers for the establishment of Islamic banking in Indonesia. This rural bank, along with three others IRBs, had existed before the first modern Islamic modern bank in Indonesia, Bank Muamalat Indonesia, was established. The establishment of BHR based on the approval the Indonesian Ministry of Finance No. 5-119/MK.13/1991 dated 24 January 1991. In addition, the legality of the establishment was also coming from Indonesia Ministry of Justice No.

<sup>65</sup> *Ibid.*

C12.3718.HT. 01.01/1991 dated 8 August 1991. BHR was officially operating upon getting approval from the central bank of Indonesia (BI) No. 24/19/UPBDJ/PBPR dated 11 April 1991 and Ministry of Finance No. Kep.307/MK.13/1991 dated 7 October 1991.<sup>66</sup>

More than 30 years after its first operation, BHR is still operating and competing with many other IRBs in the region within the era that is totally different than before. This fact is a proof that BHR was able to fit itself in the rapid changing of the technological era. Although BHR is not the biggest IRB in Aceh, its assets are considered by the Indonesian central bank as among the biggest within the IRBs. According to its monthly financial report as per September 2013, BHR acquired asset totaling IDR 10.4 billion ( $\pm$  RM2.9 million).<sup>67</sup> BHR's headquarter office is located in Lambaro, Aceh Besar with 15 employees. Like other IRBs, BHR also focuses its operation on micro and small businesses/individuals and it is concentrated on the areas of Aceh Besar and Banda Aceh.<sup>68</sup>

Concerning to IWE initiative, BHR is stated to provide an excellence and professional Islamic service that hold unto Quran and Hadith. In order to so, the bank developed four principles of work, namely: justice, partnership, transparency, universality. These principles are transformed into actions in their daily activities. The principle of justice encourage all individuals in the bank to treat all customers fairly in their dealings with the banks including the determination of profit sharing. Partnership principle encourages the bank to view customers not as a buyer to seller or seller to buyer, but as a mutual benefited partner in conducting a responsible business activity. Further, the

---

<sup>66</sup> BPRS Hareukat, *Laporan PT BPRS Hareukat* (Banda Aceh: BPRS Hareukat, 2012).

<sup>67</sup> BPRS Hareukat, "Laporan Keuangan Publikasi Bank Pembiayaan Rakyat Syariah," website *Bank Indonesia*, 2013, retrieved on 15 December 2013, <http://www.bi.go.id/id/publikasi/laporan-keuangan/bank/bpr-syariah/Default.aspx>.

<sup>68</sup> BPRS Hareukat, *Laporan PT BPRS Hareukat*.

principle of transparency encourages the bank to reveal the real and transparent financial information so that customers would be able to evaluate the bank performance wisely. Lastly, the principle of universality reveals that the bank's services for all people regardless of their social status, tribe, group, and others.<sup>69</sup>

#### **5.4 Conclusion**

This chapter has provided overview of Islamic Banking Institutions as the object of study. The chapter has discussed the development and spreading the Islamic banks all around the globe. The initial development of Islamic bank in Indonesia was also presented. The focus is given to the growth of IBIs in Aceh region as the location of study. It was followed by the discussion of seven Islamic banks that were selected as the sample for this study after the fulfillment of certain characteristics that were set in Chapter IV. In the last part, the discussion has also included the IWE initiatives that were conducting by the selected Islamic banks.

---

<sup>69</sup> *Ibid.*

## **CHAPTER VI**

### **IWE COMMITMENT AND ITS INFLUENCE ON JOB SATISFACTION, ORGANIZATIONAL COMMITMENT AND TURNOVER INTENTION**

#### **6.1 Introduction**

This chapter discusses the quantitative results of this thesis which answers the objectives 2 and 3, particularly questions 3 to 6. The discussion begins with providing the percentage of response from respondents followed by the exposure of respondents' demographic information. It is followed by the discussion of inferential analysis including data normality, differential, and correlational analyses. The chapter is specifically aimed to analyze the commitment level of Islamic banks' employees toward Islamic Work Ethics (IWE). In addition, it also shows the influence of IWE to job satisfaction, organizational commitment, and turnover intention.

#### **6.2 Employees Response Rate**

The distribution of questionnaire surveys was started after receiving the 'green lights' from the selected banks. As mentioned earlier that the questionnaire surveys were distributed using mixed-mode surveys combined online and paper modes. Both modes were prepared and offered to respondents to choose the most convenience one. For those who preferred online survey, an email address or other online corresponding medium was asked. As mention in Chapter IV, online survey was created using tools that available freely on Google Drive<sup>1</sup>.

As mentioned earlier in previous chapter, total population of employees from the selected banks were 268 people coming from three types of Islamic banking, Islamic Commercial Bank (ICB), Islamic Business Unit (IBU), and Islamic Rural Bank (IRB).

---

<sup>1</sup> For more information regarding this application, please refer to: <https://www.google.com/intl/en/drive/>

Thus, based on the numbers, 268 questionnaire surveys were delivered. Of that number, 225 surveys were collected. This was equivalent to 83.95% of initial response rate.

Table 6.1 Employees Response Rate

Sample Size	Collected Surveys	Response Rate (%)	Incomplete Surveys	Usable Surveys	Final Response Rate (%)
268	225	83.95	17	208	77.61

Source: Survey Response

The collected questionnaires were then carefully reviewed and indicated that 17 of them were unqualified due to incomplete response in more than three items in every construct's list of questions, and thus rejected. Consequently, it lasted 208 usable responses or equivalent to 77.61% effective response rate. In business research, this number is satisfactory enough to be used in a research since it was already surpassed the minimum deemed satisfactory above 30%.<sup>2</sup> Table 6.1 shows summary of the employees' response rate.

Table 6.2 Number of Respondents based on Bank's Category

Type	Name of Bank	No. of Employee	Usable Sample
Islamic Commercial Banks	1. BMI	43	36
	2. BSM	44	38
	3. BRIS	20	8
	4. BNIS	26	15
Sub total		133	97
Islamic Business Units	5. BAS	46	35
		18	12
		12	10
		8	6
Sub total		84	63
Islamic Rural Banks	6. BPRS HW	20	20
		15	13
	7. BPRS HR	16	15
Sub total		51	48
TOTAL		268	208

Source: Survey Response

<sup>2</sup> Donald R. Cooper and Pamela S. Schindler, *Business Research Methods*, 10<sup>th</sup> ed. (New York: McGraw Hill, 2008).

When the sample was breakdown per category of Islamic banking, it revealed that of the total 208 usable sample, 97 respondents were employees of Islamic Commercial Banks (ICB), 63 respondents were employees of Islamic Business Unit (IBU), and 48 respondents were employees of Islamic Rural Banks (IRB). These numbers were used as the patron for observing the level of IWE commitment for each category of Islamic banking as shown in Table 6.2.

### **6.3 Employees Demographic Information**

This section analyzes the demographic information of 208 respondents from employee side. The section will discuss the characteristics of respondents based on quantitative data that has been gathered from the field survey. It focuses on the components of gender, age group, religion, marital status, level of education, length of work, including position level and monthly income. The demographic characteristics of employees are summarized in Table 6.3. As seen from the table, 63% of respondents were male and 37% were female. This fact indicating that male employees were dominant in these selected banks. This result was supported by researcher observation during data collection that showed the domination of male employees over their female counterpart in most line of works. This job required employees to work on a very strict time and sometimes they have to work till late hours. This condition was considered unsuitable for most female employees as it meant less time for families.

The age of respondents were mainly ranging from 21 to 30 (57.7%). This result is in line with the level of education in which the respondents predominantly held bachelor's degree. In addition, 27.4% of the respondents were from 31 to 40 years old. These respondents were considerably having more experiences than the latter group, and it tally with the result in part 'length of work'. It was surprising that the selected bank hired employees who were between 16 and 20 years of age (2.9%). A result of further

investigation revealed that these employees were mostly just graduated from high schools and worked as security, driver and office-boy/girl.

Table 6.3 Employees' Demographic Information

<b>Demographic Information</b>	<b>Frequency (n = 208)</b>	<b>Percentage (100%)</b>
Gender:		
▪ Male	131	63.0
▪ Female	77	37.0
Age group:		
▪ 16-20 years old	6	2.9
▪ 21-30 years old	120	57.7
▪ 31-40 years old	57	27.4
▪ 41-50 years old	19	9.1
▪ 51-60 years old	6	2.9
Religion:		
▪ Islam	208	100.0
Level of education:		
▪ High school/equivalent	25	12.0
▪ Diploma	36	17.3
▪ Bachelor's	136	65.4
▪ Master's	11	5.3
Length of work:		
▪ Less than 2 years	41	19.7
▪ 2-4 years	72	34.6
▪ 4.1-6 years	33	15.9
▪ 6.1-8 years	17	8.2
▪ 8.1-10 years	16	7.7
▪ Above 10 years	29	13.9
Position level:		
▪ Managerial position	62	29.8
▪ Non-Managerial position	146	70.2
Monthly income:		
▪ Less than IDR 2 Million	17	8.2
▪ IDR 2.1 Million to 4 Million	98	47.1
▪ IDR 4.1 Million to 6 Million	47	22.6
▪ IDR 6.1 Million to 8 Million	30	14.4
▪ IDR 8.1 Million to 10 Million	7	3.4
▪ Above IDR 10 Million	9	4.3

Source: Survey Response

Although it was not required, all respondents (100%) of the selected Islamic banks were Muslims. However, this result is not indicating that all employees of Islamic banking in Aceh were Muslims. Further, most respondents have graduated from university, 65.4% held bachelor's degrees and 17.3% obtained diplomas (these results are matched with the age of respondents who were mainly at relatively young ages), and 5% held master's degree. Looking at this number, they were considered educated enough to answer the



question in the survey. For the length of work, the respondents were dominated by those who had worked for their banks for 2-4 years (34.6%) and less than 2 years (19.7%) which are consistent with result in the age of respondents. In addition, those who had worked longer for 4.1-6 years were also show significant percentage (15.9%) and 13.9% of the respondents had been in the current Islamic banks for more than 10 years. This result is consistent with the age of most respondents. When the tenure features are analyzed, it can be seen that respondents were mostly experienced employees. Thus, it was deduced that they could be asked about their feeling toward their employer, which the questionnaire sought to do.

Of the 208 respondents, only 62 people were working at managerial level, while the rest (n = 146, 70.2%) were working at non-managerial level. As reflected from their answers, they were working in various positions such as teller, customer services, marketing, financing analyst, and other non-management positions. Subsequently, it is logical that most of the respondent earned a relatively lower income (47.1% earned IDR 2.1-4 Million, 22.6% earned IDR 4.1-6 Million, and 14.4% earned IDR 6.1-8 Million).<sup>3</sup>

#### **6.4 Data Reliability and Normality Analysis**

As mentioned in Chapter IV, before the inferential statistical analysis is conducted, the data need to be tested for its normality to ensure the data sample represents the population properly. In addition, the reliability analysis is conducted to ensure all data used in this study are reliable and thus the results are trustable. This section will discuss the result of the reliability and normality analyses respectively.

---

<sup>3</sup> Aceh's minimum regional wage per 2013 was IDR1.550.000 ( $\pm$  RM437.14) and was projected to increase 12.9% by IDR1.750.000 ( $\pm$  RM493.56) for 2014 (<http://acehprov.go.id/>)

### 6.4.1 Reliability Analysis

In examining the reliability of the items, Cronbach's alpha reliability tests were utilized. In statistics, the lower acceptance limit of Cronbach's alpha is from 0.60 to 0.70.<sup>4</sup> The results of this test will indicate whether the items used in this study are reliable to measure the objectives of study. The final test for internal consistencies using Cronbach's alpha reliability test showed that the construct of Islamic Work Ethics received 0.960, job satisfaction received 0.688, organizational commitment received 0.736, and turnover intention received 0.716 of coefficient alphas. Therefore, all constructs confirmed satisfactory reliability estimates. The result summary is provided in Table 6.4.

Table 6.4 Reliability Test Result of IWE and Organizational Performance

No	Construct	Number of Item	Alpha
1	Islamic Work Ethics	47	0.960
2	Organizational Performance		
	1. Job Satisfaction	9	0.688
	2. Organizational Commitment	9	0.736
	3. Turnover Intention	6	0.716

Source: SPSS Output

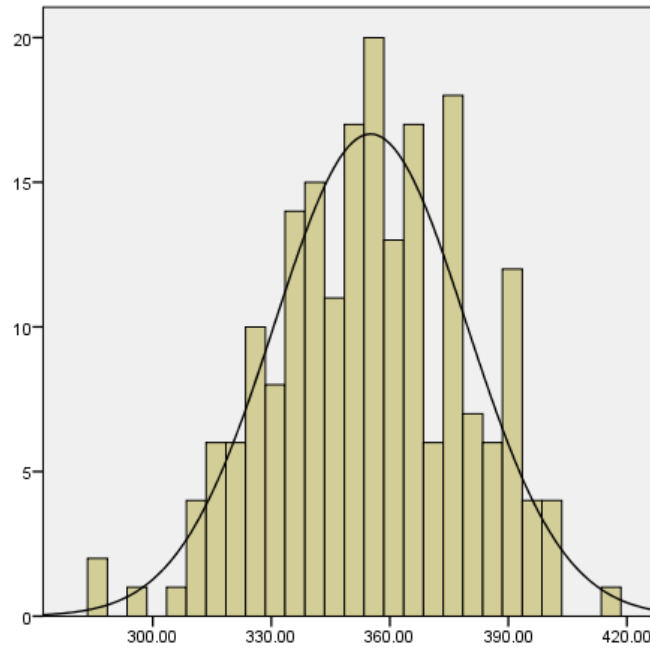
### 6.4.2 Data Normality Analysis

In statistics, the normality analysis of data distribution is a pre-requirement of using the inferential statistics<sup>5</sup>. For this study, the normality of data distribution was tested using two methods (1) graphical; such as histogram, boxplot, and normal Q-Q plot; (2) statistical; such as Kolmogorov-Smirnov and Shapiro-Wilk tests. Using the first method, the test indicated that the normality of data distribution for the employees was good (distributed normally). The histogram graph in Figure 6.1 shows the distribution of data is along the normal curve.

<sup>4</sup> Joseph F. Hair and Rolph E. Anderson, *Multivariate Data Analysis* (Prentice Hall Higher Education, 2010), 785.

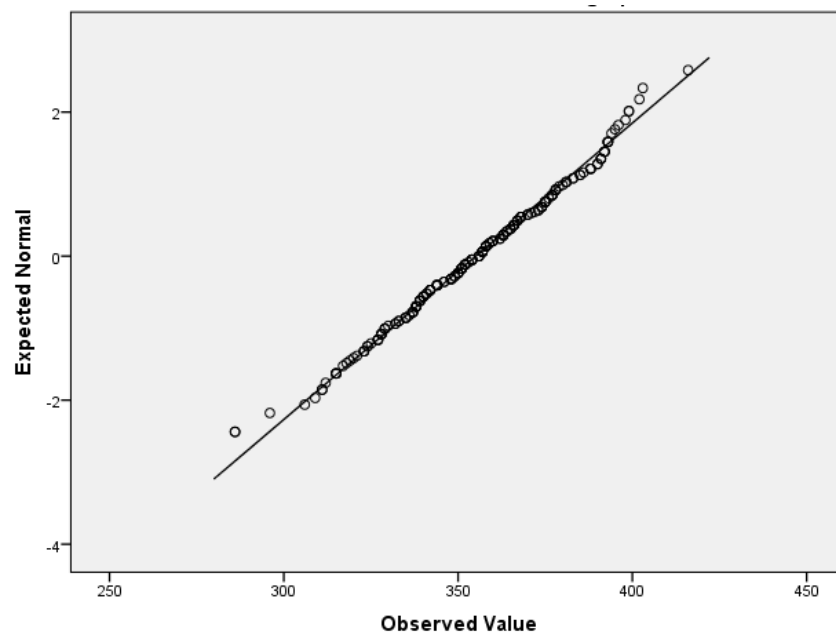
<sup>5</sup> Sheridan J. Coakes and Clara Ong, *SPSS Version 18.0 for Windows: Analysis Without Anguish* (John Wiley & Sons, 2011), 287.

Figure 6.1. Histogram of Employees Data



The result of the histogram is also supported by the normal probability plot or Q-Q plot as shown in the Figure 6.2. The Q-Q plot displays the observed values against normally distributed data which is represented by the line. In general, the basic idea is to compute the theoretically expected value for each data point based on the distribution in question.

Figure 6.2. Normal Q-Q Plot of Employees Data



If the data indeed follow the assumed distribution, then the points on the Q-Q plot will fall approximately on a straight line<sup>6</sup>. The result of the test is displayed in the graph that provides another prove of the data normality. Thus, at this stage, it is indicating that the data distribution is normal.

Another way of testing the data distribution is using the statistical method. Statistical tests for normality are more precise since actual probabilities are calculated. The Kolmogorov-Smirnov and Shapiro-Wilks tests are among the most popular tests for normality used in many research. Both tests calculate the probability that the sample was drawn from a normal population. Usually, Shapiro Wilks test is used for test on samples of  $n = 3$  to 2000, while for those of  $n > 2000$  use Kolmogorov-Smirnov test<sup>7</sup>. In this regard, since the study employed less than 2000 respondents, the Shapiro-Wilks test was employed and the result is shown in table below.

Table 6.5 Normality Tests for Employees Data

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
<b>IWE Commitment</b>	0.038	203	0.200*	0.993	203	0.420
*. This is a lower bound of the true significance.						
<sup>a</sup> . Lilliefors Significance Correction						

Source: SPSS Output

The basic assumption for Kolmogorov-Smirnov and Shapiro-Wilks tests when testing for normality is probabilities  $> 0.05$  the data are normal, in contrast, if the probabilities  $< 0.05$  the data are not normal. Based on the Table 6.5 above, the  $p$ -value is 0.420 which is greater than 0.05. It is indicating that the data comes from a normal distribution and thus inferential statistic can be performed accordingly.

<sup>6</sup> Sheridan J. Coakes and Clara Ong, *SPSS Version 18.0*, 287.

<sup>7</sup> *Ibid.*

## 6.5 Level of IWE Commitment among Islamic Banking's Employees

Level of commitment towards IWE for the employees of Islamic banking in Aceh is measured through total Mean (*M*) score that was gathered from eight dimensions of IWE, namely religiousness, effort, competition, work obligation, quality, collectivity, equality, and benefit. These dimensions were functioned as the tool of analysis to determine if the employees of Islamic banking in Aceh were committed to the Islamic ethical values in working. The Standard Deviation (*SD*) measures the amount of variation or dispersion from the average. A low standard deviation indicates that the data points tend to be very close to the mean (also called expected value); a high standard deviation indicates that the data points are spread out over a large range of values.<sup>8</sup>

The measurement of perception toward IWE was analyzed using six-score scale range from score 1 (which is represented the feeling of “strongly disagree”) to score 6 (which is represented the feeling of “strongly agree”). Based on these scales, the ‘mean’ score for each item was identified. Further, the ‘mean’ score was simplified and classified into three categories: the score that is ranging from 1.00 to 2.60 was categorized low, score from 2.61 to 4.20 was categorized medium, and the score from 4.21 to 6.00 was categorized high. In methodological research, a classification is an ordered set of related categories used to group data according to its similarities. It consists of codes and descriptors and allows survey responses to be put into meaningful categories in order to produce useful data. It is a framework which both simplifies the topic being studied and makes it easy to categorize all data or responses received.<sup>9</sup> In this regard, the classification will show the commitment level of Islamic banking employees in Aceh toward the IWE. Table 6.6 shows the summary of the mean value classification.

---

<sup>8</sup> J Martin Bland and Douglas G Altman, "Statistics Notes: Measurement Error," *Bmj* 312, no. 21 (1996), 1654.

<sup>9</sup> "Survey and Methodology," website *Central Statistic Office*, 2014, retrieved on 11 March 2014, <http://www.cso.ie/en/surveysandmethodology/classifications/whatisaclassification/>; Margaret Rouse, "Data Classification," website *Search Data Management*, May 2007, retrieved on 11 March 2014, <http://searchdatamanagement.techtarget.com/definition/data-classification>.

Table 6.6 Classification of Mean Value

No	Mean Classification	Category
1	1.00 to 2.60	Low
2	2.61 to 4.20	Medium
3	4.21 to 6.00	High

Source: Adapted from Umar<sup>10</sup>

The result was explained using descriptive statistic through Mean, Standard Deviation and ranking toward each items from all dimensions against total item numbers. In the following discussions, this thesis will comprehensively discuss the employees' level of commitment toward Islamic ethical values in performing their daily works in various Islamic banks in Aceh. This section is intended to achieve second objective of this thesis, which is measuring the level of employees' commitment towards IWE in IBIs in Aceh.

Table 6.7 Mean, Standard Deviation and Ranking of Commitment

Items	Mean	Std. Deviation	Category /Ranking
<b>Religiousness</b>	<b>5.44</b>	<b>0.520</b>	<b>High</b>
1. I perform my worship regularly.	5.72	0.638	1
2. I work for the Islamic bank because its products have met shariah compliance.	5.27	0.821	31
3. I am certain that my salary is halal because the Islamic bank avoids earning riba.	5.48	0.722	13
4. I have adequate knowledge about Islamic banking.	4.97	0.807	43
5. Work should not be only derived from its output, but also from its accompanying intention.	5.53	0.651	7
6. For me, work is one form of worship to God.	5.65	0.634	3
<b>Effort</b>	<b>5.26</b>	<b>0.565</b>	<b>High</b>
7. In working, I always strive for the better result.	5.65	0.586	2
8. I avoid laziness in working.	5.46	0.701	14
9. I work to the best of my ability.	5.55	0.619	5
10. I cope with patience all work constraints	5.11	0.992	40
11. To me, work constraints are part of work itself.	5.18	0.939	38
12. Progress on the job can be obtained through self-reliance.	4.49	1.380	46
13. I constantly work hard to meet my responsibilities.	5.37	0.806	28
<b>Competition</b>	<b>4.85</b>	<b>0.805</b>	<b>High</b>
14. I believe competition is able to improve quality of work.	5.14	0.867	39
15. Competition among Islamic banking is fair	4.94	0.941	44
16. Internal competition at the bank where I work for justifies	4.46	1.758	47

<sup>10</sup> Husein Umar, *Metode Penelitian untuk Skripsi dan Tesis Bisnis* (Jakarta: RajaGrafindo Persada, 2007), 335.

Items	Mean	Std. Deviation	Category /Ranking
any means (reverse score).			
<b>Work Obligation</b>	<b>5.31</b>	<b>0.574</b>	<b>High</b>
17. I will do my best to fulfill contract with customers.	5.21	0.757	35
18. I strive to always be honest in working.	5.49	0.810	12
19. I will not leak my company's secret to other parties.	5.52	0.674	10
20. I have never come late to work.	5.25	0.745	32
21. I make every effort to finish job on time	5.39	0.767	22
22. I work sincerely	5.20	0.848	36
23. I have the integrity to refuse to compromise on matters of principle.	5.01	0.950	42
24. I conduct every financial transaction transparently.	5.38	0.725	25
25. I will not be comfortable if ordered to sell riba (unlawful) products.	5.38	1.014	26
<b>Quality</b>	<b>5.40</b>	<b>0.618</b>	<b>High</b>
26. I work carefully.	5.39	0.734	23
27. To me, creative work is a source of happiness and accomplishment.	5.38	0.746	24
28. For me, training will always be desirable to be more professional.	5.52	0.810	11
29. Carelessness is contra-productive for work.	5.31	0.751	29
<b>Collectivity</b>	<b>5.47</b>	<b>0.589</b>	<b>High</b>
30. For me, a collective success is more important than personal success.	5.42	0.684	19
31. I am willing to help colleagues to solve work problems.	5.44	0.671	17
32. To me, cooperation is a virtue in work.	5.45	0.679	16
33. Teamwork can stimulate the collectivity.	5.52	0.659	8
34. I put emphasis on a good relationship with my colleagues.	5.55	0.714	6
35. To finish a job, I will consult my colleagues or supervisor if necessary.	5.46	0.754	15
<b>Equality</b>	<b>5.42</b>	<b>0.611</b>	<b>High</b>
36. I respect each customer regardless of his/her social background.	5.55	0.679	4
37. I treat all customers fairly regardless of their social background.	5.52	0.666	9
38. My workplace treats all employees fairly	5.20	0.813	37
39. I regard humility in work as a virtue.	5.40	0.702	21
<b>Benefit</b>	<b>5.23</b>	<b>0.604</b>	<b>High</b>
40. One should take community affairs into consideration in his/her work.	5.04	0.878	41
41. I do good work to benefit both myself and society.	5.38	0.711	27
42. Producing more than enough enables me to contribute to the prosperity of society (e.g. via sort forms of charity: zakah, infaq, sadaqah, etc).	5.43	0.765	18
43. Work is a method to increase my social relationship.	5.24	0.862	33
44. To me, life has no meaning without work.	4.82	1.176	45
45. For me, work is not an end in itself but a means to foster my personal growth.	5.30	0.833	30
46. Working is a more likely way for me to get ahead in life.	5.22	0.834	34
47. Work gives me the chance to be independent.	5.42	0.616	20

Source: Adapted from SPSS Output

Table 6.7 shows that all items received mean score in 'high' category. Out of 47 items, 42 of them received score above 5.00 while the rest below that value. The highest mean score was 5.72 for item 1 in the religiousness dimension, while the lowest was 4.46 for item 16 in the competition dimension. Item 1 reflected the feeling of the selected Islamic banks' employees on worshipping matters including the facilities provided by the selected banks, and in this case provided a very significant contribution to employees' commitment toward IWE. On the other hand, item 16 which was presented in an unfavorable (negative) form received the lowest score among others. Subsequently, it also provides a lower degree contribution for overall employees' commitment toward IWE.

Observing the table more closely indicated that all dimensions of IWE were included in 'high' category. Of the eight dimensions, seven dimensions received score above 5.00, while another dimension (competition) slipped below 5.00. The breakdown of each dimension revealed that collectivity dimension received 5.47 of Mean value, which was the highest mean among all other dimensions. It was indicating that the employees reflected a high degree of commitment to collectivity and contributed significantly to the overall IWE commitment. All items within this dimension have consistently received mean score above 5.42. For most of the employees, good relationship with colleagues was very important (item 34,  $M = 5.55$ ) as it stimulated collectivity through cooperation (item 32,  $M = 5.45$ ) and teamwork (item 33,  $M = 5.52$ ). In addition, the employees were willing to consult their colleagues or supervisor (item 35,  $M = 5.46$ ) and help each other to solve work problem (item 31,  $M = 5.44$ ). They believed that a collective success was more important than personal success (item 30,  $M = 5.42$ ).

From the perspective of Islamic banks, this result was normal. The collectivity components have been stressed to be one of the guidance for the employees of Islamic



banks in performing their jobs. Bank BNI Syariah<sup>11</sup>, for instance, placed *jamā'ah* as one of their corporate cultures. Under this culture, every individual in this bank was required to care and had courage in giving as well as taking constructive feedback, established synergy professionally, shared knowledge with others, and understood the correlation in working process. Meanwhile, Bank Muamalat Indonesia<sup>12</sup> put human capital and its teamwork as important aspects in running their business. A similar value was also upheld by Bank Aceh Syariah<sup>13</sup> in which they place “partnership and trust” for its tagline. Related values in different wordings were also upheld by other selected Islamic banks. Thus, every individual in the banks was guided by a set of value as the guideline in carrying out their attitudes.

Further, the dimension of religiousness scored 5.44, which was the second highest among the dimensions. It meant that employees of Islamic banking in Aceh considered all factors within this dimension were significant in performing daily jobs. It could be observed by various indicators; *first*, as Muslims, most employees have performed their worship regularly (item 1,  $M = 5.72$ ). This was indicating that they were able to conduct such activities (performing *ṣalāt*, *ḥajj*, fasting during the holy month of *Ramaḍan*, paying their *zakāt*, and so forth) everywhere including at their workplace as the accommodation for that was readily available. Further, the employees were highly believed that work was included as one of ways of worshipping Allah (item 6,  $M = 5.65$ ) in accordance with the Islamic teaching. Another indicator was the employees assumed that work should not be only derived from its output, but also from its accompanying intention (item 5,  $M = 5.53$ ), thus any non-halal (unlawful) work (e.g. gambling, prostitution, drug trafficking, deceiving, extortion, hoarding, monopoly) is

---

<sup>11</sup> BNI Syariah, *Annual Report 2012: Reliable Banking Partner* (Jakarta: BNI Syariah, 2012), 114.

<sup>12</sup> Bank Muamalat Indonesia, *Annual Report 2012: The Great Leap Forward* (Jakarta: Bank Muamalat Indonesia, 2012), 532.

<sup>13</sup> Bank Aceh, *Annual Report 2012: Strategic Transformation, Building and Strengthening Foundation of Bank Business Growth* (Banda Aceh: Bank Aceh Syariah, 2012), 282.

condemned even though it results in significant accumulation of wealth to those who undertake it.

Additionally, the high commitment toward the IWE values was also reflected through the dimension of equality ( $M = 5.42$ ). It revealed that the employees of Islamic banking in Aceh considered respect to customers was very important (item 36,  $M = 5.55$ ) and thus treated them fairly regardless of their social background (item 37,  $M = 5.52$ ). This kind of behavior was derived from the treatment the employee received from their employer (item 38,  $M = 5.20$ ) and their own beliefs that humility in work as a virtue (item 39,  $M = 5.40$ ). These scores were indicating that the employees of Islamic banking in Aceh were fully aware of the equality dimension as one of Islamic values in work. In general, it contributed significantly to increase the employee's commitment toward IWE.

Furthermore, for the dimension of quality, the overall mean score was 5.40. This result provided information that most respondents were highly committed to perform their daily jobs with an utmost quality in accordance with the IWE values. For most of the Islamic banking employees, quality was something important to perform work professionally. Thus, in order to do that, they were always eager to learn new stuffs (item 28,  $M = 5.52$ ), worked carefully (item 26,  $M = 5.39$ ), and considered creative work as a source of happiness and accomplishment (item 27,  $M = 5.38$ ).

Meanwhile, Mean value for the dimension of 'work obligation' was also included in a high category ( $M = 5.31$ ). The high level of employees' commitment toward IWE in this dimension can be observed through mean scores of each item within this dimension. In the banking industry, financial information is a vital object. Thus, keeping this information as safe as possible is very important. For the employees of the selected Islamic banks in Aceh, this condition was fully understood and thus committed (item 19,  $M = 5.52$ ). In order to that, the respondents were aware that honesty in working was

a must (item 18,  $M = 5.49$ ). Other indications that showed respondents had high level commitment toward IWE within work obligation dimension were their punctualities (item 21,  $M = 5.39$ ), dignities (item 25,  $M = 5.38$ ), and disciplines (item 20,  $M = 5.25$ ).

Similarly, the dimension of effort also scored high ( $M = 5.26$ ) in the test which indicated the significant contribution of this dimension to the employees' IWE commitment. Within this dimension, the employees of Islamic banking stated to have always strive the better result in working (item 7,  $M = 5.65$ ) by performing job to the best of their abilities (item 9,  $M = 5.55$ ) and avoiding laziness (item 8,  $M = 5.46$ ). The results of this dimension showed that the employees of the selected Islamic banks in Aceh were dealing with jobs seriously. The effort factors proved that employees of Islamic banking in Aceh have high level commitment to the IWE as they performed work in accordance with the Islamic teaching as mentioned previously in Chapter II.

Similarly, the dimension of benefit has also showed that employees of IBIs in Aceh had high social feeling toward society ( $M = 5.23$ ). It can be observed from their answers of statements given to express their personal feelings. For most of them, having much income meant much contribution to their societies via sort form of charity such as zakat, infaq and sadaqah (item 42,  $M = 5.43$ ). It is likely that work was a way to get ahead in their lives (item 46,  $M = 5.22$ ) because it offered them chances to be independent (item 47,  $M = 5.42$ ), fostered their personal growth (item 43,  $M = 5.30$ ) and their social relationship (item 44,  $M = 5.24$ ). Thus, doing a good work was not only benefit themselves but also the surrounding societies (item 41,  $M = 5.38$ ).

Lastly, the dimension of competition, the overall items received 4.85 of Mean value. Based on the classification mentioned above, it was also categorized as high. Looking at the items closely revealed that most employees believed that competition in general was able to improve quality of work (item 14,  $M = 5.14$ ). The respondents affirmed that

competition among Islamic banking at the institutional level was fair (item 15,  $M = 4.94$ ) while the internal competition at their workplaces was also fair (item 16,  $M = 4.46$ ). Among other IWE dimensions, this was the only dimension that received score below 5.00 and thus the lowest among others. It implied that although in the overall it was categorized ‘high’, most probably there were some items within this dimension that required more attention. Thus, an analyzing on the items more closely exposed that ‘mean’ of item 16 was the lowest among all items in the questionnaire (rank 47 of 47 items) and contributed to decrease the overall score of competition dimension. Interestingly, the statement in the item 16 was presented in a negative format. It seems that most respondents had mistakenly identified the statement in which was placed among positive statements, and thus failed to provide a proper response. Summary of the above discussion from the highest to lowest  $M$  values is presented in Table 6.8.

Table 6.8 Summary of IWE Dimension Descriptive Statistics

<b>IWE Dimension</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Category</b>
Collectivity	5.47	0.59	High
Religiousness	5.44	0.52	High
Equality	5.42	0.61	High
Quality	5.40	0.62	High
Work Obligation	5.31	0.57	High
Effort	5.26	0.57	High
Benefit	5.23	0.60	High
Competition	4.85	0.81	High
<b>Total Average</b>	<b>5.30</b>	<b>0.61</b>	<b>High</b>

Source: SPSS Output

The above mentioned facts shows that the employees of Islamic banking in Aceh were fully aware and thus had very high commitment to the Islamic values in their daily jobs as it was reflected in their responses to the given questionnaires. The positive commitment to IWE could provide several advantages for both the employees and the banks as it encourages hard work, commitment and dedication to work, work creativity, cooperation and fair competitiveness at the workplace. The result is consistent with

various research such as Ali<sup>14</sup>, Ali and Al-Shakhis<sup>15</sup>, Ali and Azim<sup>16</sup>, Yousef<sup>17</sup>, Marri et al.<sup>18</sup>. It must be noted, however, that these aforementioned studies were carried out using different background settings—in this case the Arab and Pakistani settings—and the measurement items were developed based on these viewpoints. In addition, the results of those studies were generated from general opinion of respondents, not from their application. Meanwhile, this current study was conducted in a different atmosphere using Indonesia's Aceh background setting. The items were developed based on the implementation in respondents' daily activities. Based on this, it is possible to interpret that the results of this study is the reflection of most respondents' manners in their daily jobs at the selected Islamic banks.

#### **6.5.1 IWE Commitment based on Bank's Category**

As mentioned in Chapter IV, the Islamic banking in Indonesia including Aceh is categorized into three types, namely Islamic Commercial Bank (ICB), Islamic Business Unit-(IBU), Islamic Rural Bank (IRB). It is interesting to generate the result based on these categories in order to have a clear view of which category have committed employees to practice IWE in their daily routines. The employee commitment on IWE based on bank category can be perceived from the Table 6.9. The table provides the comparison of mean among the three category of Islamic banking in Aceh, Indonesia. It shows that in general the IWE commitment among employees within the bank's categories was high. It was indicating that the employees of Islamic banking in Aceh

---

<sup>14</sup>Abbas Ali, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128, no. 5 (1988), 575-583.; Abbas J. Ali, "The Islamic Work Ethic in Arabia," *Journal of Psychology* 126, no. 5 (1992), 507-519.

<sup>15</sup> Abbas Ali and Mohammed Al-Shakhis, "Managerial Beliefs About Work in Two Arab States," *Organization Studies* 10, no. 2 (1989), 169-186.

<sup>16</sup> Abbas J. Ali and Ahmed A. Azim, "Islamic Work Ethic and Organization in Development" (paper presented at the 23<sup>rd</sup> International Congress of Applied Psychology, Madrid, Spain, 1994).

<sup>17</sup> Darwish A. Yousef, "Islamic Work Ethic: A Moderator between Organizational Commitment and Job Satisfaction in A Cross-Cultural Context," *Personnel Review* 30, no. 2 (2001), 152-169.

<sup>18</sup> Muhammad Yousuf Khan Marri et al., "Measuring Islamic Work Ethics and its Consequences on Organizational Commitment and Turnover Intention an Empirical Study at Public Sector of Pakistan," *International Journal of Management Sciences and Business Research* 2, no. 2 (2013), 37-49.

from all categories have practiced IWE and incorporated the Islamic ethical value in their daily job activities. Analyzing the table closely reveals that the employees within IBU (Islamic Business Unit) of conventional banks had the highest commitment to IWE in all tested dimensions comparing two other categories ( $M = 5.45$ ).

Table 6.9 IWE Mean Comparison based on Bank's Category

Items	Mean		
	ICB* (n=97)	IBU* (n=63)	IRB* (n=48)
Religiousness	5.47	5.56	5.21
Effort	5.16	5.45	5.20
Competition	4.78	4.97	4.82
Work Obligation	5.23	5.49	5.25
Quality	5.37	5.56	5.28
Collectivity	5.45	5.64	5.30
Equality	5.39	5.56	5.30
Benefit	5.18	5.34	5.19
<b>Total Means</b>	<b>5.25</b>	<b>5.45</b>	<b>5.19</b>

Source: Adapted from SPSS Output

\* ICB = Islamic Commercial Bank

IBU = Islamic Business Unit

IRB = Islamic Rural Bank

To provide more convincing results, a one-way analysis of variance (ANOVA) was run to determine if there were significant differences in commitment to IWE between employees of ICB, IBU, and IRB. In statistics, the one-way ANOVA is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups<sup>19</sup>. To perform this test, there should be no outliers on the data and the data should have normally distributed. These requirements have been fulfilled as measured by Q-Q plot in Figure 6.2 and Shapiro-Wilk test in Table 6.5, respectively. These results were also supported by Leven's Test of Homogeneity of Variance ( $p = 0.658$ ) which required  $p$  value greater than 0.05.

<sup>19</sup> "One-way ANOVA in SPSS," website *Laerd Statistics* 2013, retrieved on 28 October 2014, <https://statistics.laerd.com/spss-tutorials/one-way-anova-using-spss-statistics.php>.

Basic assumption for determining the result of one-way ANOVA is if the  $F$  value  $> F$  table and  $p$  value  $< 0.05$ , there is a statistically significant differences between the groups tested, and vice versa. The result from Table 6.10 shows that the  $F$  value (4.672) was greater than  $F$  table (3.040)<sup>20</sup> and  $p$  value was 0.01, which was less than significance level at 0.05. Therefore, it was indicating that the IWE commitment between the employees who work at ICB, IBU, and IRB in Aceh was significantly different.

Table 6.10 One-way ANOVA based on Bank's Category

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6350.083	2	3175.041	4.672	0.01
Within Groups	139321.185	205	679.616		
Total	145671.268	207			

Source: SPSS Output

To know which of the specific category differed, Tukey post-hoc test were undertaken. If the  $p$  value is greater than 0.05 ( $p > 0.05$ ), there is no statistically significant difference between the groups, while if the  $p$  value less than or equal to 0.05 ( $p \leq 0.05$ ), there is a statistically different the three groups of Islamic. Data from Table 6.11 reveals that there were significant differences in IWE commitment between the employee who worked within the IBU and ICB ( $p = 0.033$ ), as well as between the IBU and IRB ( $p = 0.017$ ). However, there was no significant differences between the ICB and IRB ( $p = 0.769$ ).

This result is little bit unexpected as the basis of IBU and its employees were from conventional banks which had less concern about religious matter. One possible reason is because the sample bank selected for IBU category was Bank Aceh Syariah (BAS), an IBU of Bank Aceh. As Bank Aceh is owned bank the provincial government of Aceh, most of its employees are originated from Aceh. Data from field shows that

<sup>20</sup> Please refer to  $F$ -table at the 0.05 significance level: df1 (Number of Groups [3] – 1 = 2), and df2 (No. of Respondents [208] – Groups [3] = 205). Thus, the value of  $F$ -table is 3.040.

90.4% of BAS's employees are originated from Aceh (appendix 7). In Indonesia, Aceh is known as *Serambi Mekkah* (the Veranda of Mecca) which reflecting the religiosity of its people. Under this mainstream, people of Aceh have commonly lived in accordance with Islamic teachings in almost all life aspects and it has been ongoing for such a long time.

Table 6.11 Tukey Post-hoc Test for Bank Category

Bank Category		Mean Difference	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
ICB	IBU	-10.66235*	4.21828	0.033	-20.6211	-0.7036
	IRB	3.17620	4.60054	0.769	-7.6851	14.0375
IBU	ICB	10.66235*	4.21828	0.033	0.7036	20.6211
	IRB	13.83855*	4.99462	0.017	2.0469	25.6302
IRB	ICB	-3.17620	4.60054	0.769	-14.0375	7.6851
	IBU	-13.83855*	4.99462	0.017	-25.6302	-2.0469

\*. The mean difference is significant at the 0.05 level.

Source: SPSS Output

Another possible reason is related to the spin-off initiative to separate BAS from its conventional parent company to become a full pledge Islamic bank. In the last couple of years, the preparation for this plan has been initiated. The most visible action is the recruitment of new employees to be station in the BAS throughout the branches. The new recruited-employees for this IBU graduated from Islamic banking schools of various universities across the country, particularly Aceh. As it is commonly known, the curriculum of these particular schools has embedded with the Islamic values in addition to its core knowledge. These presumptions have been confirmed with several individuals who held managerial positions at the bank through series of phone and online interviews. Considering this factor, the result is understandable.

## 6.5.2 IWE Commitment based on Gender Difference

As mentioned in demographic information section, the number of respondents for employee is 208 people. Of that number, 131 people were male while 77 people were female. In percentage, male shares 63% while female were 37% of total respondents.



The analyzing of IWE practices toward gender aimed to compare which of the two genders have more commitment to incorporate the IWE in daily job activities. The result of the IWE comparison between the two genders is presented in Table 6.12. Based on the table, male group had a higher commitment to IWE in all IWE dimensions except for effort dimension in which female group had a slightly higher Mean value than male group. In a closer examination, only three out 47 items that shows female group had higher mean than male group, which was item 2, 12 and 13.

Table 6.12 IWE Mean Comparison based on Gender Difference

Items	Mean	
	Male (n=131)	Female (n=77)
Religiousness	5.47	5.38
Effort	5.25	5.26
Competition	4.95	4.68
Work Obligation	5.36	5.23
Quality	5.46	5.30
Collectivity	5.55	5.35
Equality	5.48	5.31
Benefit	5.29	5.12
<b>Total Means</b>	<b>5.35</b>	<b>5.20</b>

Source: Adapted from SPSS Output

Although the number of respondent could be the reason for the differences, in general the result is indicating that male employees ( $M = 5.35$ ) had tendency to have more commitment to practice IWE in their daily routines comparing to their female counterparts ( $M = 5.20$ ). To determine if there are statistically differences in IWE commitment between males and female employees, an independent-samples t-test was performed. This test compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different<sup>21</sup>. Test result as presented in Table 6.13, provides information regarding the IWE commitment level between male and female employees of Islamic banking in Aceh.

<sup>21</sup> "Independent Samples t Test," website *Kent State University*, 27 October 2014, retrieved on 28 October 2014, <http://libguides.library.kent.edu/SPSS/IndependentTTest>.

Table 6.13 T-Test on Gender Differences

		Levene's Test for Equality of Variances		T-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Islamic Work Ethics	Equal variances assumed	1.201	0.274	1.603	206	0.110	6.08351	3.79500	-1.39851	13.56553
	Equal variances not assumed			1.456	117.794	0.148	6.08351	4.17891	-2.19201	14.35903

Source: Independent Sample *t*-Test Result

It reveals that the homogeneity of variances as assessed by Levene's Test for Equality of Variances is greater than 0.05 ( $p = 0.274, > 0.05$ ). It means that the variability of IWE commitment between males and females employees is about the same. In addition, the sig. (2-tailed) value from the above table is also greater than 0.05 ( $p = 0.110$ ). Consequently, it can be concluded that there was no statistically significant difference on IWE commitment between the male and female employees of IBIs in Aceh. Thus, the Means differences between these two categories were likely due to chance (or maybe due to number of sample) and not likely due to gender differences.

### 6.5.3 IWE Commitment based on Age Group

Another component that is interesting to analyze is the level if IWE commitment based on age of respondents. It is important to know which group has better commitment to IWE and thus could be a valuable input for the management of Islamic banking to understand at what age an employee could be installed for managerial position. The age is somehow show how mature a person is and thus capable enough to handle his/her job well particularly in volatile time. In demographic information section, the age group was divided into five groups, which is "16-20 years old", "21-30 years old", "31-40 years old", "41-50 years old", and "51-60 years old". Table 6.14 shows the differences

of mean among the age group. Specifically, the table suggests that age influenced the commitment of an employee toward IWE practices. As can be seen, the group of youngest employees (age from 16 to 20) scored the lowest mean among the groups, while the group of oldest employees (age from 51 to 60) scored the highest mean among the groups.

Table 6.14 IWE Mean Comparison based on Age Group

Items	Mean				
	16-20 (n=6)	21-30 (n=120)	31-40 (n=57)	41-50 (n=19)	51-60 (n=6)
Religiousness	5.20	5.43	5.49	5.40	5.53
Effort	4.83	5.22	5.40	5.19	5.19
Competition	4.39	4.77	5.00	4.84	5.39
Work Obligation	5.13	5.25	5.45	5.30	5.50
Quality	5.13	5.37	5.49	5.38	5.50
Collectivity	5.20	5.44	5.60	5.38	5.67
Equality	4.88	5.40	5.55	5.25	5.67
Benefit	4.96	5.14	5.44	5.20	5.56
<b>Total Means</b>	<b>4.97</b>	<b>5.25</b>	<b>5.43</b>	<b>5.24</b>	<b>5.50</b>

Source: Adapted from SPSS Output

It was indicating that when an employee grew older, the commitment toward IWE was increasing. The above table also suggests that the age group from 31-40 had relatively high mean value comparing to other groups except for the oldest one. It seems that the peak of maturity is achieved within this age range.

However, when one-way ANOVA was run, the differences among the groups were not statistically significant. As can be observed from Table 6.15, the  $p$  value for this test was 0.105 which was greater than 0.05 ( $p > 0.05$ ). As mentioned earlier, if the  $p$  value is greater than 0.05, the result indicates no statistically different among the age groups of respondents. Thus, the IWE commitment of Islamic banking employees in Aceh could not be determined by age. The differences between conditions Means were likely due to coincidental, possibly because of unequal sample size between age groups.

Table 6.15 One-way ANOVA based on Age Groups

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5359.928	4	1339.982	1.939	0.105
Within Groups	140311.339	203	691.189		
Total	145671.268	207			

Source: SPSS Output

#### 6.5.4 IWE Commitment based on Educational Level

Similarly, the data from demographic information section was utilized to determine the type of education level that employees of Islamic banking have obtained. Table 6.16 shows the comparison between groups of educational level.

Table 6.16 IWE Mean Comparison based on Educational Level

Items	Mean			
	HS* (n=25)	Dipl* (n=36)	UG* (n=136)	MS* (n=11)
Religiousness	5.27	5.45	5.44	5.73
Effort	5.30	5.31	5.22	5.52
Competition	5.05	4.87	4.76	5.36
Work Obligation	5.38	5.37	5.25	5.83
Quality	5.38	5.46	5.36	5.82
Collectivity	5.67	5.46	5.41	5.82
Equality	5.50	5.50	5.37	5.62
Benefit	5.31	5.28	5.18	5.56
<b>Total Means</b>	<b>5.36</b>	<b>5.34</b>	<b>5.25</b>	<b>5.66</b>

Source: Adapted from SPSS Output

\* HS = High School; Dipl = Diploma; UG = Under Graduate; MS = Master's Degree

The above table reveals that the employees who held masters' degrees had higher commitment to IWE in all tested dimensions. However, the table does not specifically suggest that higher educational level means higher commitment to IWE. This can be seen by the interchanging scores received by three other educational groups. For example, those who held diploma scores better than high school and bachelor's holders in dimension of religiousness, effort, and quality. Meanwhile, the high school holders have a better score at competition, work obligation, collectivity, and benefit comparing

to other groups except for master's holders. These results suggest that educational level did not have significant influence on the IWE commitment of Islamic banking employee in Aceh.

In order to provide a more convincing result, a one-way ANOVA test was performed. This test will statically prove the claim. As suggested by Table 6.17, the  $p$  value for this test is 0.085, which is greater than 0.05 ( $p > 0.05$ ). The  $F$  value is 2.238, less than  $F$  table (2.650). Thus, the result concludes that there was no statistically significant difference on employees IWE commitment based on educational level.

Table 6.17 One-way ANOVA based on Educational Level

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4642.073	3	1547.358	2.238	0.085
Within Groups	141029.195	204	691.320		
Total	145671.268	207			

Source: SPSS Output

### 6.5.5 IWE Commitment based on Length of Work

In addition to the above comparison, the IWE commitment of Islamic banking employees in Aceh can also be observed through the length of time an employee working with the bank. This section is aimed to understand the difference in IWE commitment based on duration of time an employee spends in an Islamic bank. The result will provide information on whether the length of work have significant effect on IWE commitment or not. For this purpose, data from demographic section is utilized. The length of work was divided into six categories, namely "less than 2 years", "2-4 years", "4.1-6 years", "6.1-8 years", "8.1-10 years", and "above 10 years".

Table 6.18 provides Mean comparison on IWE commitment at Islamic banking in Aceh based on length an employee spends in his/her workplace. As can be seen from the table, there were no such differences on Mean values among tested items as the Mean

was varied within the dimensions. Religiousness dimension, for instance, received the highest mean for the group of employees who had worked for the banks for 6.1 to 8 years, while the lowest was the group of “8.1-10 years”. For effort dimension, the highest was the group of “6.1-8 years”, while the lowest was “< 2 years”. Additionally, the variety of the mean can also be observed through competition dimension in which the group of employees who had worked for about 4.1 to 6 years received the highest score, and the group of “8.1-10 years” received the lowest.

Table 6.18 IWE Mean Comparison based on Length of Work (Years)

Items	Mean					
	< 2 (n=41)	2-4 (n=72)	4.1-6 (n=33)	6.1-8 (n=17)	8.1-10 (n=16)	> 10 (n=29)
Religiousness	5.37	5.41	5.43	5.60	5.34	5.57
Effort	5.16	5.21	5.28	5.42	5.37	5.32
Competition	4.80	4.74	5.03	4.94	4.71	5.01
Work Obligation	5.11	5.30	5.37	5.46	5.28	5.50
Quality	5.23	5.42	5.43	5.43	5.44	5.57
Collectivity	5.33	5.50	5.51	5.51	5.49	5.55
Equality	5.26	5.47	5.49	5.46	5.39	5.44
Benefit	5.07	5.20	5.30	5.36	5.30	5.34
<b>Total Means</b>	<b>5.17</b>	<b>5.28</b>	<b>5.36</b>	<b>5.40</b>	<b>5.29</b>	<b>5.41</b>

Source: Adapted from SPSS Output

Further, the highest score for the dimension of work obligation was group of employees who had been in the banks for more than 10 years, while the lowest was the group of “< 2 years”. It seems that for this particular dimension, the work lengthy does influence the commitment of employees to the IWE. A similar analysis is also applied for the dimension of quality and collectivity. For equality and benefit dimensions, employee who had worked for 4.1 to 6 years and 6.1 to 8 years had more commitment to IWE comparing to others, while the employee who had worked for less than 2 years showed the lowest commitment. Due to interchanging results, it was indicating that duration of work not significantly influenced the commitment to IWE.

This result was supported by one-way ANOVA test. It statistically proved that length of work did not have significant influence on the IWE commitment for employees of

Islamic banking in Aceh. As assessed from Table 6.19, the  $p$  value was greater than the significance level for this study ( $p = 0.437, > 0.05$ ). It must be noted, however, as assessed from Table 6.18, the lowest Mean value in six of eight dimensions were found within the group of employee who had just worked for their banks for less than two years. Meanwhile, the highest scores were found interchangeably among the groups of employees who had worked for more than four years. Thus, although the result was not statistically significant, the commitment to IWE somehow had relationship with the length of work, as assessed by Mean values.

Table 6.19 One-way ANOVA based on Length of Work

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3419.467	5	683.893	0.971	0.437
Within Groups	142251.801	202	704.217		
Total	145671.268	207			

Source: SPSS Output

#### 6.5.6 IWE Commitment based on Income

Another interesting fact to be observed is the IWE commitment based on monthly income. The result will provide the understanding on how income impacts the commitment of employees of Islamic banking in Aceh to incorporate IWE in their daily job activities. Referring to the demographic section, the employee's monthly income was divided into six groups. Similar to above section, the grouping for income section is also based on range of two, which is "<IDR2 million", "IDR2-4 million", "IDR4.1-6 million", "IDR6.1-8 million", "IDR8.1-10 million", and ">IDR10 million".

Table 6.20 shows the mean comparison among all tested items within eight dimensions of IWE. Observing the above table closely shows that the first three groups received lower scores comparing to the last three groups. Interestingly, 6 of 8 lowest score are

found within the group of employees who earned income in middle category (IDR4.1-6 million) which is around 3 to 4 times of regional minimum wage for Aceh province<sup>22</sup>.

Table 6.20 IWE Mean Comparison based on Income (IDR Million)

Items	Mean					
	< 2 (n=17)	2-4 (n=98)	4.1-6 (n=47)	6.1-8 (n=30)	8.1-10 (n=7)	> 10 (n=9)
Religiousness	5.31	5.41	5.46	5.43	5.72	5.71
Effort	5.20	5.23	5.22	5.33	5.39	5.51
Competition	4.86	4.82	4.80	4.84	5.38	5.00
Work Obligation	5.31	5.29	5.28	5.35	5.48	5.56
Quality	5.34	5.42	5.29	5.41	5.79	5.67
Collectivity	5.46	5.48	5.37	5.55	5.74	5.58
Equality	5.47	5.40	5.37	5.43	5.57	5.59
Benefit	5.27	5.19	5.17	5.29	5.55	5.50
<b>Total Means</b>	<b>5.28</b>	<b>5.28</b>	<b>5.25</b>	<b>5.33</b>	<b>5.58</b>	<b>5.52</b>

Source: Adapted from SPSS Output

A further analysis reveals that the employees within this group were skilled people who received a better salary but they were relatively new assigned to Islamic banks. Based on a follow up research, they were mainly coming from conventional banks. This supported the above result that length of work somehow influenced the employee commitment to IWE.

Meanwhile, the last three groups were consistently showing high score of Mean. The highest scores among dimensions justly shared between the last two groups. These results indicated that those who earned salary above IDR 6 million had higher commitment to practice IWE comparing to those who earned below that number. However, considering the tendency of mean between the groups, it must be noted that the results did not specifically suggest that the increasing of salary would increase the IWE commitment accordingly. This analysis is consistent with result of one-way ANOVA test as shown in Table 6.21.

<sup>22</sup> Aceh's minimum regional wage per 2013—when field data was collected—was IDR1.550.000 (± RM437.14) and was projected to increase 12.9% by IDR1.750.000 (± RM493.56) for 2014 (<http://acehprov.go.id/>)



Table 6.21 One-way ANOVA based on Income

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2931.849	5	586.370	0.830	0.530
Within Groups	142739.418	202	706.631		
Total	145671.268	207			

Source: SPSS Output

As projected in the Table 6.21, the  $F$  value for this test is 0.830, while  $F$  table (df 5, 202) is 2.260 ( $F$  value  $< F$  table), while the  $p$  value is 0.530 which is greater than the significance level at 0.05 ( $p > 0.05$ ). Based on this result, it can be concluded that the differences on IWE commitment between employees group of incomes did not statistically significant. The differences among groups were likely due to chance, not likely due to the income level.

## 6.6 Influence of IWE's Commitment on Job Satisfaction, Organizational Commitment and Turnover Intention

This section will comprehensively discuss the impact of employee commitment to IWE on several work outcomes. It starts with the analyzing the influence of IWE on job satisfaction factors. It is then followed by the discussion of IWE impact on organizational commitment and turnover intention. At the end of each section, the correlation between all IWE's dimensions and each of the variables is analyzed. Simple regression analysis and Pearson correlation were utilized as tools of analysis. This section is intended to test the hypotheses as proposed in Chapter III. The results will show whether the tests accept or reject the hypotheses.

### 6.6.1 IWE's Influence on Employees' Job Satisfaction

The influence of IWE on job satisfaction was statistically analyzed using Pearson correlation. The result as presented in Table 6.22 shows that the correlation coefficient between IWE and Job Satisfaction was 0.332 at  $p < 0.01$ . This  $R$ -value (0.332) was

much greater than the minimum value required in *R*-table (0.1354,  $n = 208$ ). This result was indicating a strong positive relationship between the two variables at 99% of confidence level.

Table 6.22 Correlation between IWE and Job Satisfaction

	<b>Job Satisfaction</b>	<b>Significance</b>	<b>N</b>
<b>Islamic Work Ethic</b>	0.332**	0.000	208
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: SPSS output

To provide more convincing result, the correlation between Job Satisfaction and all dimensions of IWE (Religiousness, Effort, Competition, Work Obligation, Quality, Collectivity, Equality, and Benefit) was also performed. The result as shown in Table 6.23 assures that all variables had a very strong relationship with Job Satisfaction at  $p < 0.01$ . Therefore, since there was a positive linear relationship between IWE and Job Satisfaction, linear regression analysis could be performed to observed the level of IWE's influence on Job Satisfaction.

Table 6.23 Correlation between All Dimensions of IWE and Job Satisfaction

	<b>Job Satisfaction</b>	<b>Religiousness</b>	<b>Effort</b>	<b>Competition</b>	<b>Work Obligation</b>	<b>Quality</b>	<b>Collectivity</b>	<b>Equality</b>	<b>Benefit</b>
<b>Job Satisfaction</b>	1.000								
<b>Religiousness</b>	0.251**	1.000							
<b>Effort</b>	0.166*	0.579**	1.000						
<b>Competition</b>	0.350**	0.431**	0.337**	1.000					
<b>Work Obligation</b>	0.288**	0.648**	0.629**	0.506**	1.000				
<b>Quality</b>	0.243**	0.649**	0.555**	0.424**	0.811**	1.000			
<b>Collectivity</b>	0.302**	0.655**	0.559**	0.518**	0.809**	0.789**	1.000		
<b>Equality</b>	0.300**	0.653**	0.609**	0.466**	0.798**	0.761**	0.832**	1.000	
<b>Benefit</b>	0.297**	0.594**	0.565**	0.379**	0.714**	0.627**	0.706**	0.737**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).									

Source: Adapted from SPSS output

The regression analysis towards the two variables indicates that the two variables correlated significantly as shown in Table 6.24. Further, it reveals that  $R$ -value was equal to the Pearson Product-Moment correlation coefficient ( $R = 0.332$ ) since it only had one independent variable. The value of  $R$ -square (0.110) provides information of coefficient determination which indicated how much of the dependent variable, “Job Satisfaction”, could be explained by the independent variable, “Islamic Work Ethics”. Therefore, based on that information, approximately 11% of the variance in Job Satisfaction could be accounted for by IWE, while the rest was influenced by other factors.

Table 6.24 The Value of  $R$  and  $R$ -Square of Job Satisfaction

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
0.332 <sup>a</sup>	0.110	0.106	0.52193
a. Predictors: (Constant), Islamic Work Ethic			
b. Dependent Variable: Job Satisfaction			

Source: SPSS output

Further, Table 6.25 provides the information on the amount of coefficient correlation among the tested variables and thus predicts its values. It reveals that both Constant and Islamic Work Ethics contributed significantly to the model.

Table 6.25 Coefficient Correlation between Job Satisfaction and IWE

<b>Variable</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	2.851	0.394		7.232	0.000
Islamic Work Ethic	0.373	0.074	0.332	5.051	0.000
<i>Dependent Variable: Job Satisfaction</i>					

Source: SPSS output

The information provided in the table was then used to formulate the regression equation, which can be written as follow:

$$Y = a + bX$$

Where  $Y$  is the criterion variable or dependent variable and  $X$  is the predictor variable or independent variable. Meanwhile,  $a$  is the  $Y$ -intercept (the value of  $Y$  when  $X$  is zero), and  $b$  is the slope of the line that is estimated as a quantitative relationship between the two variables. The criterion variable is the dependent variable given under the boxed table, in this regard is “Job Satisfaction”. The slope is found at the intersection of the line labeled with the independent variable (which is Islamic Work Ethics) and the column labeled B. Based on table 6.25, the slope equals 0.373. The intercept is found at the intersection of the line labeled (Constant) and the column labeled B. In this study, the intercept is 2.851. Putting it all together, the regression equation is:

$$\text{Job Satisfaction} = 2.851 + 0.373 (\text{Islamic Work Ethics})$$

Based on the information from table 6.25, it can be concluded that on average, for every one value of employees’ devotion to IWE, he/she likely increased job satisfaction by 0.373 point. Thus, if employees’ commitment toward IWE increased, the satisfaction level toward their jobs at Islamic banks also increased. It suggests that those who strongly committed to IWE were more satisfied with their jobs. Overall, these results provide significant evidences to accept the first hypothesis, which is “*IWE positively influences job satisfaction*”.

### **6.6.2 IWE’s Influence on Employees’ Organizational Commitment**

Similar method was also performed to observe the relationship between the IWE and Organizational Commitment and to predict the value of IWE influence to the Organizational Commitment. The first step was running the Pearson Correlation analysis to find out the relationship between the two variables. The result of the analysis is presented in Table 6.26.

Table 6.26 Correlations between IWE and Organizational Commitment

	<b>Organizational Commitment</b>	<b>Significance</b>	<b>N</b>
<b>Islamic Work Ethic</b>	0.326**	0.000	208
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: SPSS output

As can be seen from the above table, the correlation coefficient between IWE and Organizational Commitment is 0.326 at  $p < 0.01$  and it is above the value of  $R$ -table (0.1354,  $n = 208$ ). This result indicated a strong positive relationship between these variables.

Table 6.27 Correlation between Dimensions of IWE and Organizational Commitment

	<b>Organizational Commitment</b>	<b>Religiousness</b>	<b>Effort</b>	<b>Competition</b>	<b>Work Obligation</b>	<b>Quality</b>	<b>Collectivity</b>	<b>Equality</b>	<b>Benefit</b>
<b>Organizational Commitment</b>	1.000								
<b>Religiousness</b>	0.215**	1.000							
<b>Effort</b>	0.231**	0.579**	1.000						
<b>Competition</b>	0.144*	0.431**	0.337**	1.000					
<b>Work Obligation</b>	0.266**	0.648**	0.629**	0.506**	1.000				
<b>Quality</b>	0.217**	0.649**	0.555**	0.424**	0.811**	1.000			
<b>Collectivity</b>	0.278**	0.655**	0.559**	0.518**	0.809**	0.789**	1.000		
<b>Equality</b>	0.297**	0.653**	0.609**	0.466**	0.798**	0.761**	0.832**	1.000	
<b>Benefit</b>	0.434**	0.594**	0.565**	0.379**	0.714**	0.627**	0.706**	0.737**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).									
*. Correlation is significant at the 0.05 level (2-tailed).									

Source: SPSS output

In the second step, the correlation between Organizational Commitment and all dimensions of IWE was tested. The results will provide detail information on how Organizational Commitment correlates partially to each of those dimensions. Table 6.27 presents the information regarding the relationship among these variables. It assures that

all variables had a strong relationship with organizational commitment. Of eight dimensions, seven dimensions correlated at  $p < 0.01$ , which meant that they produced 99% of confidence level.

Meanwhile, another dimension, namely “competition” also shows a strong positive relationship with the organizational commitment at  $p < 0.05$ . Hence, since there was a positive linear relationship between these two variables, linear regression analysis could be performed to identify the level of IWE’s influence on organizational commitment. The regression analysis towards the two variables indicates that the two variables were correlated significantly as shown in Table 6.28.

Table 6.28 The Value of R and R-Square of Organizational Commitment

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
0.326 <sup>a</sup>	0.106	0.102	0.62601
a. Predictors: (Constant), Islamic Work Ethic			
b. Dependent Variable: Organizational Commitment			

Source: SPSS output

The table reports that *R*-value is 0.326 which is exactly the same with value at the Pearson Correlation test as this is a simple regression which only had one independent variable. Based on the table, roughly 10.6% of the variance in Organizational Commitment could be accounted for by Islamic Work Ethics, while the rest was influenced by other factors. In addition, the result of regression analysis also reveals that both Constant and Islamic Work Ethics contributed significantly to the model as shown in the Table 6.29. Referring to the table, the regression equation can be applied to examine the level of impact the IWE toward Organizational Commitment, which can be written as follow:

$$\text{Organizational Commitment} = 2.289 + 0.438 (\text{Islamic Work Ethics})$$

Table 6.29 Coefficient Correlation between Organizational Commitment and IWE

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.289	0.473		4.842	0.000
Islamic Work Ethic	0.438	0.089	0.326	4.945	0.000
<i>Dependent Variable: Organizational Commitment</i>					

Source: SPSS output

Thus, it can be concluded that on average, for every one value of the Islamic banking employees commit to IWE, the level of commitment toward their organizations (which are Islamic banks) is increased by 0.438 point. It is indicating that the increasing of employee level commitment to IWE would significantly increase their level commitment to the Islamic banks. Hence, the more commitment do the employees have toward the IWE, the more dedication do they have toward their workplaces (Islamic banks). Based on these results, there are significant evidences to statistically accept the second hypothesis, which is “*IWE positively influences organizational commitment*”.

### 6.6.3 IWE’s Influence on Employees’ Turnover Intention

The steps above were also performed to observe the relationship between IWE and Turnover Intention and to reveal the degree of influence of IWE on Turnover Intention. Therefore, in the first step the Pearson Correlation analysis was performed to detect the relationship between these two variables. The result of the analysis is presented in Table 6.30.

Table 6.30 Correlation between Islamic Work Ethics and Turnover Intention

	Turnover Intention	Significance	N
<b>Islamic Work Ethic</b>	-0.207**	0.003	208
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: SPSS output

Unlike other variables that have been analyzed previously, Table 6.30 reports that the variable of Turnover Intention shows a strong negative correlation with the Islamic Work Ethic. The correlation coefficient between IWE and Turnover Intention is -0.207 at  $p < 0.01$ . This result is indicating a strong negative correlation between the two variables at 99% of confidence level. As the correlation between the two variables has been identified, the next step is to test the variable of Turnover Intention against all eight dimensions of IWE. As mentioned in above sections, the dimensions of IWE are Religiousness, Effort, Competition, Work Obligation, Quality, Collectivity, Equality, and Benefit. All of these dimensions were examined using Pearson Correlation analysis in SPSS 20. The results will provide a detail information on how Turnover Intention correlates partially to each of those dimensions.

Table 6.31 Correlation between All Dimensions of IWE and Turnover Intention

	<b>Turnover Intention</b>	<b>Religiousness</b>	<b>Effort</b>	<b>Competition</b>	<b>Work Obligation</b>	<b>Quality</b>	<b>Collectivity</b>	<b>Equality</b>	<b>Benefit</b>
<b>Turnover Intention</b>	1.000								
<b>Religiousness</b>	-.094	1.000							
<b>Effort</b>	-.029	0.579**	1.000						
<b>Competition</b>	-.243**	0.431**	0.337**	1.000					
<b>Work Obligation</b>	-.209**	0.648**	0.629**	0.506**	1.000				
<b>Quality</b>	-.185**	0.649**	0.555**	0.424**	0.811**	1.000			
<b>Collectivity</b>	-.233**	0.655**	0.559**	0.518**	0.809**	0.789**	1.000		
<b>Equality</b>	-.211**	0.653**	0.609**	0.466**	0.798**	0.761**	0.832**	1.000	
<b>Benefit</b>	-.179**	0.594**	0.565**	0.379**	0.714**	0.627**	0.706**	0.737**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).									

Source: SPSS output

As can be seen from Table 6.31, the result of the analysis shows that all variables had negative correlation with Turnover Intention. This is signifying that strong support to IWE could significantly reduce the number of employee turnover. Examining the table



closely reveals that out of eight dimensions, six of them showed a strong negative relationship at  $p < 0.01$ . Meanwhile, two other dimensions (Religiousness and Effort) also showed negative but weak relationship with Turnover Intention. It seems that dimensions of religiousness and effort were not strong moderator of turnover intention. Anyhow, the overall IWE components are significant factors for turnover intention. Hence, since there is a linear relationship between these variables, linear regression analysis is then to detect the degree of IWE's influence on Turnover Intention. The regression analysis towards the two variables confirms that the two variables are correlated significantly as shown in Table 6.32.

Table 6.32 The Value of R and R-Square of Turnover Intention

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
0.207 <sup>a</sup>	0.043	0.038	0.91516
<i>a. Predictors: (Constant), Islamic Work Ethic</i> <i>b. Dependent Variable: Turnover Intention</i>			

Source: SPSS output

The table reports that  $R$ -value is 0.207 which is exactly the same with  $R$  at the Pearson Correlation test but in reverse version. Referring to the information on the table, it seems that 4.3% of the variance in Turnover Intention can be accounted for by Islamic Work Ethics, while the rest is influenced by other factors. In addition, the result of regression analysis also reveals that both Constant and Islamic Work Ethics contribute significantly to the model as shown in the Table 6.33. Based on the data from the table, the regression equation can be drawn to calculate the degree of IWE's impact on Turnover Intention, which can be written as follow:

$$\text{Turnover Intention} = 5.113 - 0.394 (\text{Islamic Work Ethics})$$

Table 6.33 Coefficient Correlation between Turnover Intention and IWE

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.113	0.691		7.397	0.000
Islamic Work Ethic	-0.394	0.130	-0.207	-3.038	0.003
<i>Dependent Variable: Turnover Intention</i>					

Source: SPSS output

The above fact shows that on average, for every one value of the Islamic banking employees commit to IWE, the intention to leave the banks is decreased by 0.394 point. These results concluded that the commitment to IWE is a strong factor in reducing the level turnover intention at the Islamic banks in Aceh. Hence, third hypothesis: “*IWE negatively influences turnover intention*” is accepted.

## 6.7 Discussion of Results

The aforementioned section has provided specific information on how each factor of organizational performance, particularly job satisfaction, organizational commitment, and turnover intention related to the implementation of each IWE’s dimension in the Islamic banking. The current section specifically focuses on the connection between IWE in general and the factors, namely job satisfaction, organizational commitment, and turnover intention. Table 6.34 presents the summary of these factors.

Table 6.34 Correlation between IWE, Job Satisfaction, Organizational Commitment and Turnover Intention

	Islamic Work Ethics	Job Satisfaction	Organizational Commitment	Turnover Intention
<b>Islamic Work Ethics</b>	1.000			
<b>Job Satisfaction</b>	0.332**	1.000		
<b>Organizational Commitment</b>	0.326**	0.364**	1.000	
<b>Turnover Intention</b>	-0.207**	-0.502**	-0.423**	1.000

\*\*, Correlation is significant at the 0.01 level (2-tailed)

Table 6.34 shows a strong correlation between Islamic Work Ethics and the said factors at the 0.01 of significance level. It means that IWE has a positive significant effect on job satisfaction and organizational commitment, while has a negative effect on turnover intention. Thus, if employees' commitment toward IWE is increased, the satisfaction and commitment toward their jobs and Islamic banks are also increased. At the same time, it lowers their intentions to leave the banks.

The results of the Table 6.34, particularly for the organizational commitment and job satisfaction, are consistent with previous studies. The study of Yousef<sup>23</sup>, for instance, revealed that there was a significant and positive correlation between job satisfaction and the IWE at 0.17,  $p < 0.001$ . He generated the result from 425 Muslim employees who worked at several organizations in the United Arab Emirates. A similar conclusion was also made by Rokhman<sup>24</sup> though using different setting of study. He drawn a conclusion from 49 employees of Islamic microfinance institution in Demak regency in Central Java, Indonesia. He showed that relationship between IWE and job satisfaction was positively significant ( $r = 0.36$ ;  $p < 0.01$ ). In addition, in a qualitative study performed by Ahmad<sup>25</sup> has also provided a similar result. Based on a deep analysis toward many literatures, he concluded that there was a positive impact of IWE on employee job satisfaction and helps build a better morale amongst employees which in turn can result in greater employee job satisfaction.

In regard to organizational commitment, the finding of this research is consistent with the doctoral research study of Moayed<sup>26</sup> which found that there was a highly significant correlation between Islamic work ethics and organizational commitment in a doctoral

---

<sup>23</sup> Darwish A. Yousef, "Islamic Work Ethic," 152-169.

<sup>24</sup> Wahibur Rokhman, "The Effect of Islamic Work Ethics on Work Outcomes," *Electronic Journal of Business Ethics and Organization Studies* 15, no. 1 (2010), 21-27.

<sup>25</sup> Muhammad Shakil Ahmad, "Work Ethics: An Islamic Prospective," *International Journal of Human Sciences* 8, no. 1 (2011), 850-859.

<sup>26</sup> Naghme Nancy Moayed, "Islamic Work Ethic and Muslim Religious Beliefs Impact on Organizational Commitment in the Workplace" (Doctoral Thesis, University of Phoenix, 2009), 124.

research of 324 self-reported Muslim-practicing professionals living in the United States. The respondents were originated from 29 different countries around the world, which Iran, United States, Pakistan, and India accounted for 80.24% of the countries listed. In addition, the present study also supports the findings of Jamil<sup>27</sup> in her master's research. She studied the effect of IWE on organizational change using three variables of organizational commitment (affective, continuance, and normative) as the mediator. The respondents were accountants who worked at various accountant offices in Central Java, Indonesia. The result showed a positive influence of IWE on the three organizational commitment variables at 0.180, 0.229, and 0.094 respectively.

Another study that produced similar result was the study of Mahiyaddin<sup>28</sup> in where she showed a strong significant correlation between IWE and organizational commitment ( $r = 0.462, p < 0.01$ ). This study was conducted in Lembaga Tabung Haji Malaysia. This is also consistent with the study of Yousef<sup>29</sup> in 30 organizations in the United Arab Emirates that exposed positive correlation between the two variables ( $r = 0.290, p < 0.01$ ). Additionally, Mohammed, Abdul Karim and Hussein<sup>30</sup> found that Islamic work ethics within a university environment was positively linked to organizational commitment ( $r = 0.29, p < 0.05$ ). The positive effect of IWE on organizational commitment was also found by Zainol<sup>31</sup> in her research at Majlis Amanah Rakyat Malaysia ( $r = 0.53, p < 0.05$ ).

---

<sup>27</sup> Alwiyah Jamil, "Pengaruh Etika Kerja Islam terhadap Sikap-sikap pada Perubahan Organisasi: Komitmen Organisasi sebagai Mediator " (Master's Thesis, Universitas Diponegoro, Indonesia, 2007), 185.

<sup>28</sup> Rusniyati Binti Mahiyaddin, "Hubungan Etika Kerja Islam dengan Komitmen Organisasi: Kajian Dikalangan Kakitangan Lembaga Urusan Tabung Haji" (Masters Thesis, Universiti Utara Malaysia, 2009), 89.

<sup>29</sup> Darwish A. Yousef, "Islamic Work Ethic," 152-169.

<sup>30</sup> Norshidah Mohamed, Nor Shahriza Abdul Karim, and Ramlah Hussein, "Linking Islamic Work Ethic to Computer Use Ethics, Satisfactions, Organizational Commitment in Malaysia," *Journal of Business Systems, Governance and Ethics* 5, no. 1 (2010), 13-23.

<sup>31</sup> Nor Nazliyah Binti Zainol, "Islamic Work Ethics, Organizational Culture and Organizational Commitment: A Study of Employees at Majlis Amanah Rakyat" (Master Thesis, Universiti Utara Malaysia, 2009), 84.

Although the results of job satisfaction and organizational commitment supported many studies in the literature, the result of turnover intention, however, was not consistent with some studies. The study of Rokhman<sup>32</sup>, for example, showed there was no direct impact of IWE on employee turnover intention ( $r = 0.006$ ,  $p > 0.10$ ). The finding was produced based on his research toward 49 employees of several microfinance institutions in Central Java, Indonesia. This result also support by Abd Muin<sup>33</sup> in his Master's thesis based on Malaysian study setting. Employing 200 respondents, he showed that there was no significant evidence of the effect of Islamic work ethics on turnover intention. Additionally, the study of Ajmal and Irfan<sup>34</sup> also showed there was no significant correlation between IWE and turnover intention based on the response from 120 respondents.

Yet, this research is not alone in providing evidence of negative significant relationship between IWE and turnover intention. Hashim<sup>35</sup>, for example, in a study of eight well-known Islamic organizations in Malaysia, statistically proved that there was a significant negative correlation between Islamic ethics and turnover intention ( $r = -0.139$ ,  $p = 0.129$ ). Further, Khan et al.<sup>36</sup> using data collected from 182 employees revealed that IWE had a significant negative relationship with turnover intentions ( $r = -0.190$ ,  $p < 0.05$ ). A similar result was also generated by the study of Marri et al.<sup>37</sup> in which indicated that the correlation between IWE and turnover intention of 395 employees from 36 public sector institutions in Pakistan was significantly negative ( $r =$

---

<sup>32</sup> Wahibur Rokhman, "The Effect of Islamic," 21-27.

<sup>33</sup> Mohd Adib bin Abd Muin, "The Effect of Islamic Work Ethics on Work Outcomes: A Case Study on Higher Education in State of Kedah" (Masters Thesis, Universiti Utara Malaysia, 2011).

<sup>34</sup> Muhammad Umar bin Ajmal and Sana Irfan, "Understanding the Moderating Role of Islamic Work Ethics between Job Stress and Work Outcomes," *IOSR Journal of Business and Management* 16, no. 1 (2014), 62-67.

<sup>35</sup> Junaidah Hashim, "The Quran-Based Human Resource Management and its Effects on Organisational Justice, Job Satisfaction and Turnover Intention," *The Journal of International Management Studies* 3, no. 2 (2008), 148-159.

<sup>36</sup> Khurram Khan et al., "Organizational Justice and Job Outcomes: Moderating Role of Islamic Work Ethic," *Journal of Business Ethics*, no. 2013), 1-12.

<sup>37</sup> Muhammad Yousuf Khan Marri et al., "Measuring Islamic," 37-49.

-0.150,  $p < 0.05$ ). In similar setting, the study of Sadozai et al.<sup>38</sup> was also showed that IWE and turnover intention had a significant inverse relationship ( $r = -0.150$ ) at significant level  $p = 0.01$  which indicated that if the IWE increase, at the same time it will decrease turnover intention of employees.

The fact that there were differences in results among some studies lead to some interpretations. One possible interpretation is that in this context, the nature of study is different to the above studies. As the only province that is legally allowed to implement the shariah law, Aceh is bound with Islamic teachings and values in all aspects of life. This is also influence the daily activities of various workplaces in Aceh including Islamic banking. When the questionnaire for this study was disseminated, the respondents were accustomed to life within this atmosphere and thus affected their answer. In addition, the number of sample used in this study was also lead to the differences. The study of Rokhman employed 49 respondents, Abd Muin employed 200 respondents, and Ajmal and Irfan employed 120 respondents. Unlike the abovementioned studies, the present study employed a relatively larger number of respondents (657 respondents) that might generate different results.

In general, these results indicating that the IWE has significant and positive influence on organizational commitment and job satisfaction, and negative correlation with turnover intention although tested in different study settings. Therefore, having high commitment to the IWE is able to increase the employees' loyalties to their workplaces regardless of organization types and automatically reduce the intention to voluntarily leave the organization. Thus, it is crucial for organizations to maintain the IWE values within work environments in order to have committed employees. As job satisfaction, organizational commitment, and turnover intention are included among non-financial

---

<sup>38</sup> Arshad Mahmood Sadozai et al., "Moderating Role of Islamic Work Ethics between the Relationship of Organizational Commitment and Turnover Intentions: A Study of Public Sector of Pakistan," *Mediterranean Journal of Social Sciences* 4, no. 2 (2013), 767-775.

factors of organizational performance, the result of this study can be a determination factor in improving performance of organizations, particularly the Islamic banking institutions. Many studies suggested that unsatisfied and uncommitted employees including the high rate of turnover had significant impact to the decreasing of organizational performance<sup>39</sup>. Thus, the changing in the IWE could significantly alter the performance of Islamic banks.

## **6.8 Conclusion**

This chapter have briefly discussed the results of data analysis in both descriptive and inferential statistics. This chapter provides the answer for achieving the 2<sup>nd</sup> and 3<sup>rd</sup> objectives, questions 3 to 6. In general, the findings showed that the employees of Islamic banking in Aceh has a very high commitment to IWE, as reflected by Mean values in all dimensions of IWE. Among the dimensions, collectivity dimension has the highest Mean value while the competition dimension has the lowest. In relation to demographic information, the findings indicated there were no significant differences in the IWE's commitment level among the groups of respondents except for the group of bank category. Further, the commitment to IWE has strong positive impact on job satisfaction, organizational commitment, and strong negative impact on turnover intention. The results indicating that when employees of IBIs have high commitment to IWE, the job satisfaction and organizational commitment is increase. In contrast, the high IWE commitment reduces the intention of employees to quit from their jobs.

---

<sup>39</sup> Jack J. Baroudi, "The Impact of Role Variables on IS Personnel Work Attitudes and Intentions," *MIS Quarterly* 9, no. 4 (1985), 341-356.; Magid Igbaria and Tor Guimaraes, "Antecedents and Consequences of Job Satisfaction among Information Center Employees," *Journal of Management Information Systems* 9, no. 4 (1993), 145-174.; Donald P. Moynihan and Sanjay K. Pandey, "Finding Workable Levers Over Work Motivation: Comparing Job Satisfaction, Job Involvement, and Organizational Commitment," *Administration & Society* 39, no. 7 (2007), 803-832.; Paul E. Spector, *Job Satisfaction: Application, Assessment, Causes, and Consequences* (Thousand Oaks, CA: Sage, 1997), 104.

## **CHAPTER VII**

### **IMPACT OF IWE ON CUSTOMER SATISFACTION**

#### **7.1 Introduction**

This chapter discusses the quantitative results of this thesis. It aims to accomplish the objective 4. The discussion begins with providing the percentage of response from respondents and followed by the exposure of respondents' demographic information. It is followed by the discussion on inferential analysis including data normality, differential, and correlational analyses. In the later sections, this chapter provides the answers for questions 7 of this thesis. Specifically, it shows the impact of employees' commitment towards Islamic Work Ethics (IWE) on customer satisfaction.

#### **7.2 Customers' Response Rate**

Similar to the employees' part, the distribution of questionnaire surveys for customers was also using a mixed mode, online and paper. As both modes were offered, the respondents were free to choose the most convenience one. As mentioned in Chapter IV, to generate the number of respondents, this study utilized computer software called "Sample Size Calculator". Based on the software's calculation, at least 384 people were suggested to be sample. In this study, it will be rounded up to at least 400 respondents. To prepare for an unpredictable situation, a total number of 600 questionnaires were prepared and distributed to respondents. Of that number, 459 were collected which was equal to 76.50% of the total questionnaires distributed. However, of the 459 questionnaires returned, 10 of them were ineligible because of the incomplete response in more than three items in every construct's list of questions, and thus discarded. In the end, 449 responses or 74.83% effective response rate were used for final data analysis.



As mentioned earlier, this figure was considered acceptable as it was well above 30%.<sup>1</sup>

The summary of the employees' response rate is exposed in Table 7.1.

Table 7.1 Customers' Response Rate

Targeted Sample	Survey Distributed	Returned Surveys	Response Rate (%)	Incomplete Surveys	Usable Surveys	Final Response Rate (%)
400	600	459	76.50	10	449	74.83

Source: Survey Responses

As mentioned in Chapter IV, the distribution of respondent for customers was based on the percentage of the employees from each of the selected Islamic banks (see Table 4.2, Chapter IV). Thus, of the 449 usable questionnaires, 72 (16%) were from customers of Bank Muamalat Indonesia (BMI), 74 (16.4%) from Bank Syariah Mandiri (BSM), 34 (7.5%) from Bank Rakyat Indonesia Syariah (BRIS), and 43 (9.7%) from Bank Negara Indonesia Syariah (BNIS).

Table 7.2 Details Number of Returned Surveys from Each Banks

Type	Name of Bank	No. of Questionnaires	Percentage
Islamic Commercial Banks	1. BMI	72	16.0
	2. BSM	74	16.4
	3. BRIS	34	07.5
	4. BNIS	43	09.7
Sub total		223	49.6
Islamic Business Units	5. BAS	77	17.2
		30	06.7
		33	07.4
Sub total		140	31.3
Islamic Rural Banks	6. BHW	33	07.4
		26	05.7
	7. BHR	27	06.0
Sub total		86	19.1
TOTAL		449	100.0

Source: Survey Responses

<sup>1</sup> Donald R. Cooper and Pamela S. Schindler, *Business Research Methods*, 10<sup>th</sup> ed. (New York: McGraw Hill, 2008).

Further, as shown in the Table 7.2, 140 questionnaire surveys (31%) were coming from customers of three different offices of Bank Aceh Syariah (BAS). In addition, 59 questionnaires (13%) were collected at two different offices of Bank Perkreditan Rakyat Syariah Hikmah Wakilah (BHW), and 27 questionnaires (6%) were from Bank Perkreditan Rakyat Syariah Hareukat (BHR). These numbers are considering proportional to represent the operational size of each selected Islamic banks in Aceh.

### **7.3 Customers' Demographic Information**

As can be seen from the Table 7.3, male respondents were slightly dominated the result with 58.6% while the female respondents shared 41.4%. In term of age group, most respondents were at young and productive ages. Of 449 respondents, 202 (45%) were between 21-30 years, 118 respondents or 26.3% were in between 31-40 years old. This result matches with their occupation and level of education, which were dominated by university students. In term of religion, all respondents were Muslim and surpassed the pre-requirement to be respondents for this study. However, this result does not indicate that all customers of Islamic banks in Aceh were Muslims.

In addition, though living in Banda Aceh and its surrounding areas, the respondents were coming from most ethnics living in the Aceh province. As per population, the Aceh ethnic group dominated the surveys (91.3%) followed by Gayo (2.7%) as the second largest ethnic group in Aceh. The rests were shared between all other ethnic groups. Thus, in this regard, respondents of this study were represented by most of ethnic groups living in Aceh. In line with their ages, 244 respondents or 54.3% were not married, 203 people or 45.2% were married, and 2 respondents were widow/widower. As the table shows, 35% of respondents held Bachelor's degree, 20% held Master's degree, 27.6% graduated from high school, 12.9% received their diploma, and 2.7 % held Doctoral degrees. In this regard, the respondents were considered educated enough to understand the statements given in the questionnaire.

Table 7.3 Customer's Demographic Information

<b>Demographic Information</b>	<b>Frequency (n = 449)</b>	<b>Percentage (100%)</b>
Gender: <ul style="list-style-type: none"> <li>Male</li> <li>Female</li> </ul>	263 186	58.6 41.4
Age group: <ul style="list-style-type: none"> <li>16–20 years old</li> <li>21–30 years old</li> <li>31–40 years old</li> <li>41–50 years old</li> <li>51–60 years old</li> <li>61 and above</li> </ul>	60 202 118 54 12 3	13.4 45.0 26.3 12.0 2.7 0.7
Ethnic of origin: <ul style="list-style-type: none"> <li>Aceh</li> <li>Gayo</li> <li>Jamee</li> <li>Kluet</li> <li>Tamiang</li> <li>Others</li> </ul>	410 12 5 5 6 11	91.3 2.7 1.1 1.1 1.3 2.4
Marital status: <ul style="list-style-type: none"> <li>Not Married</li> <li>Married</li> <li>Widow/widower</li> </ul>	244 203 2	54.3 45.2 0.4
Level of education: <ul style="list-style-type: none"> <li>Primary School</li> <li>Junior High School</li> <li>Senior High School</li> <li>Diploma</li> <li>Degree</li> <li>Masters</li> <li>Doctorate</li> </ul>	3 5 124 58 157 90 12	0.7 1.1 27.6 12.9 35.0 20.0 2.7
Occupation: <ul style="list-style-type: none"> <li>Unemployed</li> <li>Student</li> <li>Lecturer</li> <li>Teacher</li> <li>Private Employee</li> <li>Civil servants</li> <li>NGO Employee</li> <li>Corporate Employee</li> <li>Entrepreneur</li> <li>Others</li> </ul>	28 155 76 40 34 70 2 11 20 13	6.2 34.5 16.9 8.9 7.6 15.6 0.4 2.4 4.5 2.9
Monthly income: <ul style="list-style-type: none"> <li>IDR0-1 Million</li> <li>IDR1.1-2 Million</li> <li>IDR2.1-3 Million</li> <li>IDR3.1-5 Million</li> <li>IDR4.1-5 Million</li> <li>IDR5.1-7 Million</li> <li>IDR6.1-7 Million</li> <li>IDR7.1-9 Million</li> <li>IDR8.1-9 Million</li> <li>Above IDR9 Million</li> </ul>	165 75 80 57 32 21 4 10 1 4	36.7 16.7 17.8 12.7 7.1 4.7 0.9 2.2 0.2 0.9

Source: Survey Response

In term of occupation, university students dominated the survey by 34.5%. It subsequently followed by lecturer (16.9%) and civil servants (15.6%). The rests were shared among others type of jobs, such as teachers (8.9%), private companies (7.6%), 4.5 entrepreneurs (4.5%), and so forth. This result is in line with the findings on the income part, which shows that 36.7% of respondent (which was represented by students and unemployed people) earned under IDR 1 million per month<sup>2</sup>.

#### **7.4 Data Reliability and Normality Analysis**

Similar to the steps taken for the employees' data, data of customers also need to be tested its normality to ensure the data sample represents the population properly. This step is taken to ensure all data for this study are reliable and thus the results are trustable. This section will discuss the result of the reliability and normality analyses respectively.

##### **7.4.1 Reliability Analysis**

The reliability of items in customer's part was analyzed using Cronbach's alpha reliability analysis. The results of this test shows reliability of the items in measuring the objectives of study. According to Hair and Anderson<sup>3</sup>, the lower acceptance limit of Cronbach's alpha is from 0.60 to 0.70. The reliability test for all 41 items of customer satisfaction was 0.956 of coefficient alpha.

However, when the construct was broken down into sub-scales, the coefficient alpha for each sub-scale scored lower than the average. Sub-scale of 'religiousness' scored 0.795,

---

<sup>2</sup> Aceh's minimum regional wage per 2013—when field data was collected—was IDR1.550.000 ( $\pm$  RM437.14) and was projected to increase 12.9% by IDR1.750.000 ( $\pm$  RM493.56) for 2014 (<http://acehprov.go.id/>)

<sup>3</sup> Joseph F. Hair and Rolph E. Anderson, *Multivariate Data Analysis* (Prentice Hall Higher Education, 2010), 785.

‘effort’ scored 0.864, ‘competition’ scored 0.748, ‘work obligation’ scored 0.844, ‘quality’ scored 0.744, ‘collectivity’ scored 0.821, ‘equality’ scored 0.878, and ‘benefit’ scored 0.865 of coefficient alpha. Nevertheless, all constructs and sub-scales surpassed the minimum satisfactory of reliability analysis. The summary of the test is reported in Table 7.4.

Table 7.4 Summary of Customers Reliability Analysis

Construct and Sub-Scale	Number of Item	Alpha
Customer Satisfaction (Total)	41	0.956
1. Religiousness	6	0.795
2. Effort	6	0.864
3. Competition	3	0.748
4. Work Obligation	6	0.844
5. Quality	5	0.744
6. Collectivity	3	0.821
7. Equality	6	0.878
8. Benefit	6	0.865

Source: SPSS Output

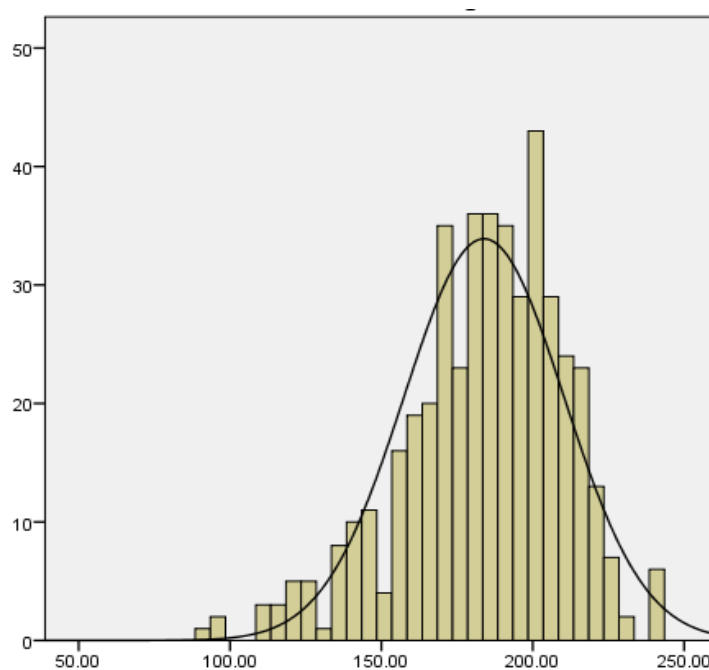
#### 7.4.2 Data Normality Analysis

In addition to the reliability analysis, data distribution was also analyzed as it is a pre-requirement of using the inferential statistics<sup>4</sup>. In regard to this thesis, it was tested using (1) graphical method, such as histogram, boxplot, and normal Q-Q plot; (2) statistical method, such as Kolmogorov-Smirnov and Shapiro-Wilk tests.

The graphical method test showed that the data likely distributed in a similar curve and thus looked normal though it was a bit skewed to the right. Histogram graph in Figure 7.1 shows the sketch on how the data are distributed.

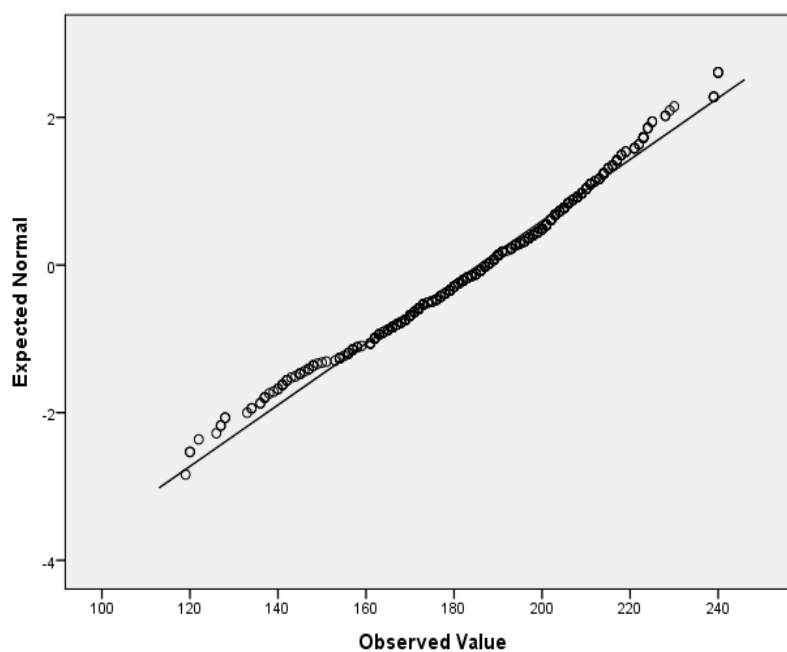
<sup>4</sup> Sheridan J. Coakes and Clara Ong, *SPSS Version 18.0 for Windows: Analysis Without Anguish* (John Wiley & Sons, 2011), 287.

Figure 7.1. Histogram for Customers Data



In addition, the graph of normal Q-Q plot in Figure 7.2 also shows data plot fall approximately on a straight line of the Q-Q plot, which indicates that the data is distributing normally.

Figure 7.2. Normal Q-Q Plot for Customers Data



Further, a statistical test was also performed to provide more accurate result and confirm the results of the above graphs. Similar to the employees' side, the study utilized Shapiro-Wilk test in calculating the normality of the data as the sample of this study is less than 2000 people. Table 7.5 presents the result of the test.

Table 7.5 Tests of Normality for Customers Data

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
<b>Customer Satisfaction on IWE</b>	0.051	439	0.008	0.986	439	0.000
<sup>a</sup> . Lilliefors Significance Correction						

Source: SPSS Output

As mentioned above, the basic assumptions for both Kolmogorov-Smirnov and Shapiro-Wilks normality tests are if probabilities  $> 0.05$ , the data are distributed normally and vice versa. The result of the test from the above table, unfortunately, violates this basic assumption ( $p < 0.0$ ). Because of this, to validate if the results is statistically significant different among the groups, the data was analyzed using non-parametric tests, namely Kruskal-Wallis Test, Mann-Whitney Test, and Wilcoxon Test. Meanwhile, to determine the level of IWE's impact on customer satisfaction, this study utilized Mean, Standard Deviation, and ranking. In addition, Spearman's rank-order correlation was employed to test the correlation among dimensions of IWE.

## 7.5 The Impact of IWE on Customer Satisfaction

Unlike the IWE impact on the internal factors (i.e. job satisfaction, organizational commitment, and turnover intention), the impact of IWE toward customer satisfaction could not be resulted from regression analysis as the regressed variables were insufficient. In addition, the data for costumer was not surpassed basic requirement for inferential statistic, as assessed by Shapiro-Wilk test ( $p < 0.05$ ). Consequently, the data were observed through their roles as the moderator between two or more variables of

study. It is commonly found in behavioral-related studies (particularly in the field of marketing), such as the studies of Hassan<sup>5</sup>, Shamsudin et al.<sup>6</sup>, Salleh, Abdullah and Razali<sup>7</sup>, and Saeed, Ahmed and Mukhtar<sup>8</sup>.

In this present study, the impact of IWE at Islamic banking in Aceh toward customer satisfaction is also related to the behavior of the bank's employees, particularly those who were assigned to customer-related jobs in their daily work activities. Imperatively ethical issue has become communal concern in business environment lately. Numerous literatures in behavioral practices and marketing have demonstrated the importance of ethical conducts in establishing good relationship with customers, and thus gain a significant effect on customer satisfaction<sup>9</sup>. With the practice of IWE, the level of the relationship will increase significantly as it will increase the level of customer's pleasurable experience in business transaction. Likewise, unethical practices will hinder the customer from go again to the business organization that pay less attention to this issue<sup>10</sup>.

To observe the impact of IWE on customer satisfaction in this present study, the value of 'Mean' and the 'Standard Deviation' of each item in all dimensions of IWE was calculated. The Mean (*M*) reflects the satisfaction of customers towards the IWE practices within the selected Islamic banks from lowest to the highest (0.00 – 6.00). The Standard Deviation (*SD*) measures the amount of variation or dispersion from the

---

<sup>5</sup> Abul Hassan, Abdelkader Chachi, and Salma Abdul Latiff, "Islamic Marketing Ethics and Its Impact on Customer Satisfaction in the Islamic Banking Industry," *J.KAU: Islamic Econ* 21, no. 1 (2008), 23-40.

<sup>6</sup> Abdul Shukor Bin Shamsudin et al., "Preliminary Insights on the Effect of Islamic Work Ethic on Relationship Marketing and Customer Satisfaction," *The Journal of Human Resource and Adult Learning* 6, no. 1 (2010), 106-114.

<sup>7</sup> Marhanum Che Mohd Salleh, Nurdianawati Irwani Abdullah, and Siti Salwani Razali, "Building Agent-Customer Relationship in the Takaful Industry: A Framework of Islamic Relationship Marketing," *ISRA International Journal of Islamic Finance* 4, no. 1 (2012), 81-97.

<sup>8</sup> Mohammad Saeed, Zafar U Ahmed, and Syeda-Masooda Mukhtar, "International Marketing Ethics from an Islamic Perspective: A Value-Maximization Approach," *Journal of Business Ethics* 32, no. 2 (2001), 127-142.

<sup>9</sup> For example: Anusorn Singhapakdi et al., "Toward an Understanding of Religiousness and Marketing Ethics: An Empirical Study," *Journal of Business Ethics* 27, no. 4 (2000), 305-319.; N. Craig Smith, "Ethical Guidelines for Marketing Practice: A Reply to Gaski & Some Observations on the Role of Normative Marketing Ethics," *Journal of Business Ethics* 32, no. 1 (2001), 3-18.

<sup>10</sup> Abdul Shukor Bin Shamsudin et al., "Preliminary Insights on the Effect," 106-114.



average. A low standard deviation indicates that the data points tend to be very close to the mean (also called expected value); a high standard deviation indicates that the data points are spread out over a large range of values.<sup>11</sup> To observe the relationship among all IWE's dimensions, Spearman's rank correlation coefficient or known as Spearman's rho was utilized. It is a non-parametric measurer of statistical dependence between two variables which assesses how well the relationship between two variables can be described using a monotonic function.<sup>12</sup>

As the statements for customer satisfaction were developed based on the eight dimensions of IWE statements, the results were also generated based on customer's observation toward employee's behavior within these dimensions. The responses reflected the satisfaction of customers toward the implementation of the Islamic ethical values in employees' daily job activities. The measurement of satisfaction toward IWE was analyzed using six-point scale, ranging from 1 (which is represented the feeling of "strongly disagree") to 6 (which is represented the feeling of "strongly agree"). Based on these scales, the 'mean' value for each item was identified. The 'Mean' value was then simplified and classified it into three categories: (1) the value ranging from 1.00 to 2.60 is categorized low; (2) the value ranging from 2.61 to 4.20 is categorized medium; and (3) the value ranging from 4.21 to 6.00 is categorized high. Table 7.6 shows the tabulation for Mean's classification.

Table 7.6 Classification of Mean Value

No	Mean Classification	Category
1	1.00 to 2.60	Low
2	2.61 to 4.20	Medium
3	4.21 to 6.00	High

Source: Adapted from Umar<sup>13</sup>

<sup>11</sup> J Martin Bland and Douglas G Altman, "Statistics Notes: Measurement Error," *Bmj* 312, no. 21 (1996), 1654.

<sup>12</sup> Ann Lehman, *JMP for Basic Univariate and Multivariate Statistics: A Step-by-Step Guide* (Cary, NC: SAS Institute, 2005), 123.

<sup>13</sup> Husein Umar, *Metode Penelitian untuk Skripsi dan Tesis Bisnis* (Jakarta: RajaGrafindo Persada, 2007), 335.

Using descriptive statistic in SPSS, the Mean, Standard Deviation, and ranking of each item within the IWE's dimensions for customer satisfaction were generated. As shown in the Table 7.7, 38 items scored high 'Mean' values and relatively low *SD*, while three others received 'medium' values and relatively high *SD*. The scores were ranging from 3.98 (item 5) to 5.11 (item 24). Investigating the items and dimensions closely discovered that dimension of collectivity scored the highest Mean value among other dimensions ( $M = 4.66$ ,  $SD = 0.748$ ). This result is consistent with the output of employees' part in Chapter VI which also showed that collectivity dimension scored the highest Mean among other. Within this dimension, consultation was seen as the most significant factor that influence most customers in dealing with Islamic banks ( $M = 4.76$ ,  $SD = 0.854$ , item 29).

In addition, the altruism factor (which is a solid teamwork) also provided a strong positive effect to the customer satisfaction ( $M = 4.64$ ,  $SD = 0.847$ , item 28). Another factor that also produced positive impact on customer satisfaction was the helpfulness, in which the employees was willing to help each other ( $M = 4.59$ ,  $SD = 0.912$ , item 27). In conclusion, the IWE practices within collectivity dimension (e.g. consultation, teamwork, helpfulness, etc.) as reflected by the statements in the questionnaire surveys offered a strong positive contribution in increasing the level of satisfaction of most IBIs' customers in Aceh.

The result also shows that equality dimension received the second highest satisfactory value ( $M = 4.61$ ,  $SD = 0.800$ ) comparing to others. Within this dimension, item 30 scored the highest mean value ( $M = 4.83$ ,  $SD = 0.916$ ) comparing to other items. This was indicating that customers have been treated nicely when dealing with the banks. Other items that showed higher scores were item 31 ( $M = 4.70$ ,  $SD = 0.901$ ), and item 32 ( $M = 4.63$ ,  $SD = 1.129$ ). The results indicated that customers of Islamic banks

satisfied with support given by the banks. In addition, they were not feeling any kind of coercion in choosing a product or service of Islamic banks.

Based on these results, it can be interpreted that the practices of IWE such as respect, fair treatment, and no discrimination have a positive impact on establishing a good relationship with customer and subsequently gain a strong customer satisfaction. This outcome consistent with the employees' assertion in Chapter VI stated that they "respect and treat customers fairly regardless of their social background".

Table 7.7 Mean, Standard Deviation, and Ranking of Customer Satisfaction

Statements	Mean	Std. Deviation	Category
<b>Religiousness</b>	<b>4.25</b>	<b>0.837</b>	<b>High</b>
1. Islamic bank provides proper accommodations for praying	4.17	1.317	Medium
2. In my concern, products offered by Islamic banking have met the shariah compliance	4.21	1.117	High
3. I am certain, Islamic banking is investing in the halal businesses	4.55	1.051	High
4. I am sure, Islamic banking's employees perform all religious obligations	4.14	1.121	Medium
5. In my concern, Islamic banking's employees have adequate religious knowledge	3.98	1.179	Medium
6. I choose to bank with Islamic bank merely because of religious reasons	4.45	1.330	High
<b>Effort</b>	<b>4.50</b>	<b>0.785</b>	<b>High</b>
7. I believe the employees of Islamic bank have performed jobs with their best ability	4.50	0.982	High
8. I am satisfied with the time efficiency of bank employees in completing my transactions	4.48	1.046	High
9. I observe that Islamic bank's employees avoid laziness in working	4.52	0.987	High
10. I am satisfied with the information given by the bank's employee concerning to my queries	4.55	1.023	High
11. I feel that Islamic bank's employee have fulfilled their obligations	4.68	0.882	High
12. I am satisfied with the efficiency of Islamic bank's employee in handling problem on the phone or web	4.26	1.167	High
<b>Competition</b>	<b>4.53</b>	<b>0.826</b>	<b>High</b>
13. I believe that competition among employees is able to improve quality of work	4.47	1.178	High
14. Competition among Islamic banking is fair	4.61	0.929	High
15. I believe internal competition at Islamic banking is fair	4.51	0.911	High
<b>Work Obligation</b>	<b>4.45</b>	<b>0.763</b>	<b>High</b>
16. I feel that Islamic bank have fulfilled its contract with me	4.56	0.985	High
17. I choose to bank with Islamic banks because they have trustworthy workers	4.37	1.021	High
18. I believe none of the Islamic bank's employee will come	4.36	1.101	High

Statements	Mean	Std. Deviation	Category
late to work without prior permission			
19. I think the employees of Islamic banking have worked accordingly to their designated time	4.58	0.958	High
20. I feel the Islamic bank employee has worked sincerely	4.30	1.063	High
21. In my concern, transactions of Islamic banking are performed in a transparent way	4.50	0.971	High
<b>Quality</b>	<b>4.43</b>	<b>0.590</b>	<b>High</b>
22. I feel that Islamic bank employee works precisely	4.66	0.884	High
23. I feel that Islamic banks' products are less innovative (reverse score)	4.50	0.971	High
24. I think training will always be desirable for the employee to be more professional	5.11	0.844	High
25. The employees of Islamic banking have worked as their expertise	4.61	1.003	High
26. I feel that Islamic bank has an excellent service	4.46	1.165	High
<b>Collectivity</b>	<b>4.66</b>	<b>0.748</b>	<b>High</b>
27. I observe that Islamic bank employee is willing to help each other to solve work problem.	4.59	0.912	High
28. Islamic bank' employees looked solid in their works.	4.64	0.847	High
29. Upon necessary, I notice the Islamic bank employees consult among themselves or with their supervisors to solve work problem.	4.76	0.854	High
<b>Equality</b>	<b>4.61</b>	<b>0.800</b>	<b>High</b>
30. I feel the Islamic bank employee treats me like "a part of family" when I am banking with them.	4.83	0.916	High
31. The employees of Islamic bank have provided adequate assistance on my financial transaction.	4.70	0.901	High
32. I am given a free will in choosing the products /services.	4.63	1.129	High
33. I feel the bank employee that I am dealing with have been fair to me in my transaction.	4.56	0.950	High
34. I believe, no discrimination occurs in the Islamic bank's services.	4.55	0.974	High
35. I am happy with the social-friendly features of Islamic bank's employee.	4.39	1.181	High
<b>Benefit</b>	<b>4.49</b>	<b>0.846</b>	<b>High</b>
36. The social funds in the Islamic banking are not merely intended for profit motive.	4.41	1.098	High
37. I believe products of Islamic banking will strengthen the economy of the community.	4.64	1.013	High
38. I feel secure and comfortable being in the building of Islamic banking.	4.57	1.073	High
39. I am pleased with the architectural design of the bank.	4.37	1.186	High
40. The Islamic banking has played a good role in alleviating some social problems e.g. helping the poor, charity, etc.	4.39	1.127	High
41. I choose Islamic banking because they are offering a fairness profit and loss sharing.	4.57	1.072	High

Source: Adapted from SPSS Output and Questionnaire Survey

Further, the competition dimension placed the third in the survey of customer satisfaction ( $M = 4.53$ ,  $SD = 0.826$ ). From a closer look, table above reveals that all of the three items within this dimension received 'high' values ranging from 4.47 ( $SD =$

1.178, item 13) to 4.61 ( $SD = 0.929$ , item 14). Item 14 received the highest mean, while items 13 and 15 received relatively low values. The results are logical since most respondents (which were the customers of Islamic banks) have no specific information or knowledge about what happen in the internal banks. These responses are consistent with the responses of the employees in Chapter VI that claimed the internal competition among employees were fair and able to improve quality of work. Thus, it can be concluded that holding up the IWE in competing with other banks (e.g. keep a fair competition) gives a positive impact on customer satisfaction within this dimension.

Furthermore, an analysis toward the effort dimensions disclosed that the dimension received 4.50 of mean ( $SD = 0.785$ ), which is included in the 'high' category. Examining the items one by one exposes that item 11 received the highest value among others ( $M = 4.68$ ,  $SD = 0.882$ ), followed by item 10 ( $M = 4.55$ ,  $SD = 1.023$ ) and item 9 ( $M = 4.52$ ,  $SD = 0.987$ ). It is also revealed that item 12 received the lowest mean among all items within this dimension ( $M = 4.26$ ,  $SD = 1.167$ ) although it is still included in the high category. However, by merely observing the value without further investigation, the conclusion is imbalanced. Thus, a proper investigation was performed to reveal the causal effect.

Result of the investigation reveals that because most of the selected Islamic banks were based in Jakarta, all problems and queries from customers in Banda Aceh either over the phone or web would be directed to their headquarter offices in Jakarta. Therefore, it is understandable why this particular item received much lower value comparing to other items within the effort dimension. The overall result of the effort dimension indicates that the level of customer satisfaction within this dimension was much influenced by the strong employees' commitment to the IWE (e.g. responsibility in fulfilling obligations, patience in answering all queries from customers, and also by avoiding laziness in workplaces). These outcomes confirmed the answers of the employees in Chapter VI, in

which they claimed had worked hard to fulfill their responsibilities, had been patient in working, and had avoided laziness in working.

Similar to the above dimensions, the benefit dimension is also included in the high category. Among all items within this dimension, item 37 received the highest value ( $M = 4.64$ ,  $SD = 1.013$ ), followed by item 41 ( $M = 4.57$ ,  $SD = 1.072$ ) and 38 ( $M = 4.57$ ,  $SD = 1.073$ ). Whereas, item 36 ( $M = 4.41$ ,  $SD = 1.098$ ), 40 ( $M = 4.39$ ,  $SD = 1.127$ ), and 39 ( $M = 4.37$ ,  $SD = 1.186$ ) were subsequently followed. The result of the analysis in this dimension is interesting since most customers agreed that product of Islamic banking would strengthen the economy of community. It was indicating that considering IWE in offering products (e.g. halal product and fair profit and loss sharing) could gain a significant level of customer satisfaction. In addition, the IWE practices of Islamic banking concerning social responsibility (e.g. play a good in alleviating some socials problem and place benefit of community as the highest concern) was also an important factor in gaining customer satisfaction.

Further, the IWE consideration in designing the interior of the building of the Islamic banking (e.g. separate room for male and female employees and proper furniture arrangement) could provide comfortable and secure feeling for customer that lead to satisfaction. However, the overall architectural design of the Islamic banking's building as reflected by item 39 received the lowest mean among all items within this dimension. In fact, this result is true. Based on the researcher observation, most of Islamic banks in Aceh were operating in rented-buildings that shared portion with other businesses. Consequently, these buildings faced the lack of facilities (e.g. parking lot, ATM quantity, etc) that can support day to day operations of the banks. In general, the IWE practices within benefit dimension have a positive impact on customer satisfaction.

Another dimension that also give positive impact to customer satisfaction is work obligation ( $M = 4.45$ ,  $SD = 0.763$ ). In a close analyzing towards all items within this

dimension shows that commitment to IWE gives positive impact on customer satisfaction. Within this dimension, the customer believed that employees of Islamic banks have worked accordingly to their designated times (item 19,  $M = 4.58$ ,  $SD = 0.958$ ). It is also indicated that the Islamic banks have fulfilled its contracts to customers (item 16,  $M = 4.56$ ,  $SD = 0.985$ ). These results are in line with the findings in the effort dimension where the customers believed that the employees have fulfilled their obligations. Comparing to the result from employees side in Chapter VI, items that were related to obligations were also received score in 'high' category. Thus, the employees' claims that they "will make every effort to finish job on time and do best to fulfil contract with customers" are confirmed here.

In addition, item 21 ( $M = 4.50$ ,  $SD = 0.971$ ), also showed a high level of customer satisfaction regarding transparency in the transaction of Islamic banking, which somehow affirmed the assertion of most employees that they have conducted every financial transaction transparently. Further, item 17, 18, and 20 also scored in high category, but comparing to three other items, these values were relatively low ( $M = 4.37$  ( $SD = 1.021$ ),  $M = 4.36$  ( $SD = 1.101$ ), and  $M = 4.30$  ( $SD = 1.063$ ), respectively). Based on these results, it can be concluded that the employee commitment to IWE in performing daily jobs (e.g. work in the designated times, fulfill contract, be transparent, be trustworthy, come to work on time, and be sincere) produced a significant relationship with customer satisfaction as they would increase customer pleasure.

Similarly, the IWE practices within the quality dimension will also boost up the customer satisfaction. Although in average the level of customer satisfaction is high, Table 7.7 above also reveals that most customers satisfied if employees received training regularly ( $M = 5.11$ ,  $SD = 0.844$ , item 24). It helps them keeping up to date with the latest knowledge so that they would be able to more professional. Consistently, as mentioned in Chapter VI, the employees confirmed the statement. Further, most

customers also showed high satisfaction on the employee's precise work ( $M = 4.66$ ,  $SD = 0.844$ , item 22). The employee expertise were also positively contributed to the customer satisfaction in this dimension ( $M = 4.61$ ,  $SD = 1.003$ , item 25). In addition, product innovation ( $M = 4.50$ ,  $SD = 0.971$ , item 23) and excellent service ( $M = 4.46$ ,  $SD = 1.165$ , item 26) also influenced the customer satisfaction. These results seemed to confirm the claim of employees in previous chapter that most of them have work carefully, conducted creative work and provided excellent service. In general, the level of customer satisfaction within the dimension of quality was influenced by the implementation of IWE in daily jobs activities such as willingness to learn, working precisely, working as expertise, innovative, and providing excellent service.

The last dimension of IWE, the religiousness dimension, also contributed to customer satisfaction. Among all IWE dimensions, this dimension surprisingly received the lowest Mean value although it was still included in the 'high' category ( $M = 4.25$ ,  $SD = 0.837$ ). Observing the table closely reveals that 3 of 6 statements were fallen under 'medium' category. This results was indicating that although the average Mean value for this dimension was categorized 'high', the satisfaction that customer perceived within this dimension were not as high as other dimensions as reflected by item 1 ( $M = 4.17$ ,  $SD = 1.317$ ), item 4 ( $M = 4.14$ ,  $SD = 1.121$ ) and item 5 ( $M = 3.98$ ,  $SD = 1.179$ ).

Despite the fact that the customers believed that Islamic banks have provided proper accommodations for praying, they were unconfident to state that the employees of Islamic banks have performed all religious obligations as well as had adequate religious knowledge. Within this dimension, the most satisfactory factor that lead customer in dealing with the Islamic banking was its investments, which according to customers was halal business (item 3,  $M = 4.55$ ,  $SD = 1.051$ ). Anything that consider non-halal affected their level of satisfaction in dealing with the Islamic banks.



This is in line with their reasons of choosing Islamic banks that merely because of religious reasons (item 6,  $M = 4.45$ ,  $SD = 1.330$ ). Thus, practicing IWE in business activities—such as conducting halal business, offering shariah compliance product, providing proper praying accommodation, etc.—would give a positive impact on customer satisfaction. Table 7.8 presents the summary of all mean values of customer satisfaction in all IWE’s dimension ranging from the highest to the lowest of Mean value.

Table 7.8 Summary of IWE Dimension for Customer Satisfaction

<b>IWE Dimension</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Category</b>
Collectivity	4.66	0.748	High
Equality	4.61	0.800	High
Competition	4.53	0.826	High
Effort	4.50	0.785	High
Benefit	4.49	0.846	High
Work Obligation	4.45	0.763	High
Quality	4.43	0.590	High
Religiousness	4.25	0.837	High
<b>Total Average</b>	<b>4.49</b>	<b>0.774</b>	<b>High</b>

Source: Adapted from SPSS Output

It is important to notice that range of value among all dimensions are not big which is 0.41 in average as the maximum value is 4.66 (collectivity) and the minimum value is 4.25 (religiousness). Thus, it can be interpreted that all dimensions are correlated significantly in perceiving the customer satisfaction.

To provide more convincing results, a non-parametric correlation test was performed. In this case, Spearman’s rank-order correlation was found suitable to observe the correlation between all IWE’s dimensions for customer satisfaction. The results that are presented in Table 7.9 assured that all IWE dimensions that were used in perceiving customer satisfaction produced very strong relationships at  $p < 0.01$ .

Table 7.9 Spearman's Rank-Order Correlation between All IWE Dimensions for Customer Satisfaction

	Religiousness	Effort	Competition	Work Obligation	Quality	Collectivity	Equality	Benefit
Religiousness	1.000							
Effort	0.638**	1.000						
Competition	0.498**	0.588**	1.000					
Work Obligation	0.649**	0.735**	0.594**	1.000				
Quality	0.494**	0.558**	0.378**	0.537**	1.000			
Collectivity	0.527**	0.638**	0.502**	0.642**	0.513**	1.000		
Equality	0.566**	0.660**	0.491**	0.667**	0.557**	0.637**	1.000	
Benefit	0.578**	0.586**	0.467**	0.652**	0.489**	0.539**	0.648**	1.000
**. Correlation is significant at the 0.01 level (2-tailed).								

Source: SPSS output

### 7.5.1 Customer Satisfaction based on Bank's Category

The above-mentioned fact is the overall analysis on the impact of IWE practices on customer satisfaction. As the basis for the data is quite unique and diverse, it is interesting to add an analysis toward demographic information. One of information that can be utilized from the demographic information section is the satisfaction based on bank's category. This analysis will compare the satisfaction feelings of customers towards IWE implementation at the selected Islamic banks based on the category of bank.

Table 7.10 shows the overall Mean for each category of bank. In general, the table suggest that customers of Islamic Commercial Bank (ICB) received the highest satisfaction in perceiving the IWE practices ( $M = 4.51$ ). It was followed by the customers of Islamic Business Unit (IBU) of conventional banks ( $M = 4.48$ ). Subsequently, the customers of Islamic Rural Bank (IRB) showed lesser satisfaction towards the implementation of IWE within the banks ( $M = 4.48$ ). However, the

differences in perceiving the satisfaction—as the effect of IWE implementation—between the three categories of Islamic banking could not be statistically claimed only by comparing the Means of each banks category as the differences were not extreme.

Table 7.10 Satisfaction based on Bank's Category

Items	Mean		
	ICB* (n=223)	IBU* (n=140)	IRB* (n=86)
Religiousness	4.25	4.23	4.29
Effort	4.53	4.52	4.37
Competition	4.57	4.40	4.64
Work Obligation	4.50	4.42	4.38
Quality	4.37	4.56	4.41
Collectivity	4.65	4.74	4.57
Equality	4.66	4.59	4.51
Benefit	4.56	4.40	4.45
<b>Total Means</b>	<b>4.51</b>	<b>4.48</b>	<b>4.45</b>

Source: Adapted from SPSS Output

\* ICB = Islamic Commercial Bank

IBU = Islamic Business Unit

IRB = Islamic Rural Bank

Therefore, Kruskal-Wallis H Test was performed. This test is aimed to determine if there are statistically significant differences between two or more groups of an independent variable on a continuous or ordinal dependent variable. It is considered the non-parametric alternative to the one-way ANOVA, and an extension of the Mann-Whitney U test to allow the comparison of more than two independent groups.<sup>14</sup> This non-parametric test was performed because the data for customer's side was not distributed normally as showed earlier in Kolmogorov-Smirnov and Shaphiro-Wilks normality tests. In addition, homogeneity of variance was also violated, as measured by Levene's Test of Homogeneity of Variances ( $p < 0.05$ ) and thus equal variances was not assumed.

A Kruskal-Wallis H test in Table 7.11 shows that there was a statistically significant difference in the level of customer satisfaction between the different category of bank,

<sup>14</sup> "Kruskal-Wallis H Test using SPSS Statistics," website *Laerd Statistics*, retrieved on 20 June 2015, <https://statistics.laerd.com/spss-tutorials/kruskal-wallis-h-test-using-spss-statistics.php>.

$X^2(2) = 7.573, p = 0.023 (< 0.05)$ , with a mean customer satisfaction rank of 234.51 for ICB, 200.20 for IBU and 240.72 for IRB. It shows that customers of IRB scored the highest mean rank, while the IBU's customers showed the lowest mean rank in perceiving the satisfaction from their banks.

Table 7.11 Kruskal-Wallis H Test for Customer Satisfaction based on Bank's Category

Bank's Category	N	Mean Rank	Test Statistics <sup>a,b</sup>	
ICB	223	234.51	Chi-Square	7.573
IBU	140	200.20	df	2
IRB	86	240.72	Asymp. Sig.	0.023
<b>Total</b>	<b>449</b>		<i>a. Kruskal-Wallis Test</i> <i>b. Grouping Variable: Bank's Category</i>	

Source: SPSS output

To identify which of the specific category differed, a series of Mann-Whitney U Tests were performed. In statistics, Mann-Whitney U test is used to compare differences between two independent groups when the dependent variable is either ordinal or continuous, but not normally distributed.<sup>15</sup> If the  $p$  value is greater than 0.05, there is no statistically significant difference between the bank's category, while there will be a significant difference between the three categories if  $p$  value is less than or equal to 0.05.

Table 7.12 Mann-Whitney Statistics Tests for Customer Satisfaction based on Bank's Category

	ICB - IBU	ICB - IRB	IBU - IRB
Mann-Whitney U	13078.500	9177.500	5080.000
Wilcoxon W	22948.500	34153.500	14950.000
Z	-2.602	-0.585	-1.970
Asymp. Sig. (2-tailed)	0.009	0.559	0.049

Source: SPSS output

<sup>15</sup> "Mann-Whitney U Test using SPSS," website *Laerd Statistics*, retrieved on 21 June 2015, <https://statistics.laerd.com/spss-tutorials/mann-whitney-u-test-using-spss-statistics.php>.

The result from Table 7.12 shows that there were highly statistically significant difference between ICB and IBU ( $p = 0.009$ ) and slightly but significant difference between IBU and IRB ( $p = 0.049$ ). These results are consistent with the results from the employee part in Chapter VI, which also showed the significant differences between these categories. Meanwhile, there was no evidence of significant difference between ICB and IRB ( $p = 0.559$ ). These facts suggested that the way that customers of ICB perceived satisfaction was similar to customers of IRB. Meanwhile, the way of IBU's customers perceived the satisfaction was statistically different from customers of both other categories, the ICB and IBU.

In observing the cause for the difference, this study examined the core of customer satisfaction; the foremost of several cores is the employees' behaviors, which is the employees' commitment to conform to the Islamic ethical values and the implementation when dealing with customers. As it was commonly understood that the employees of ICB were intendedly recruited to work only within the ICB, while the employees of IBU were usually transferred from their parent company, the conventional banks. Consequently, these factors influenced their behaviors at workplace in confirming to values of Islamic ethics as perceived by the customers.

The reasons are related to the implementation IWE initiatives within the ICBs. As mentioned in Chapter V, all ICBs have consistently implemented the ethical related behaviors for their employees with realistic actions from the beginning of their establishments. For instance, BMI has seven compulsory behaviors that must applied by its employees. To make sure the behaviors were seriously taken into action; all employees were required to take an oath, oral and written. Similar actions were also implemented by BSM, BNIS, and BRIS as they put several ethical actions into serious accounts. Over times, these ethical actions become habits for all of employees and this was where the customers perceived and translated it into their satisfactions.

### 7.5.2 Customer Satisfaction based on Gender Difference

In addition to bank's category, customer satisfaction can also be analyzed using gender difference. Data from previous section showed that the total number of respondents based on usable surveys was 449 people. Of this number, 263 respondents (58.6%) were male and 186 respondents (41.4%) were female. The analysis toward gender is aimed to understand which of these genders have more satisfaction as the result of IWE practices in the Islamic banks they have perceived. Table 7.13 shows the Mean comparison between the two genders that reflect their satisfaction toward the Islamic banks.

Table 7.13 Satisfaction based on Gender Difference

IWE Dimension	Mean	
	Male (n=263)	Female (n=186)
1. Religiousness	4.17	4.37
2. Effort	4.47	4.54
3. Competition	4.54	4.52
4. Work Obligation	4.47	4.41
5. Quality	4.43	4.45
6. Collectivity	4.67	4.66
7. Equality	4.59	4.64
8. Benefit	4.42	4.59
<b>Total Mean</b>	<b>4.47</b>	<b>4.52</b>

Source: Adapted from SPSS output

As can be seen from Table 7.13, both male and female respondents have the variation of IWE impact on their satisfaction. In general, there was no significant difference in term of the way male and female respondents perceived the Islamic banking as shown by the total average of Mean value,  $M = 4.47$  and  $M = 4.52$  respectively. Observing the table closely reveals that male respondents received a relatively lower impact on five out of eight dimensions, while female respondents got lower value on three out of eight dimensions. Thus, although the difference was not significant, it seemed that the IWE practices on Islamic banking showed a bit more impact on female respondents than

male respondents. As a consequence, female respondents had higher level of satisfaction toward the Islamic banks comparing to their male counterpart.

To statistically observe the significant difference between the satisfaction of male and female customers on the implementation of IWE at the IBIs in Aceh, the Mann-Whitney Test is performed. The basic assumption for this test is if the  $p$  value is greater than the significance level (in this case 0.05), the variability of the data is about the same, no statistically significant differences between the tested groups, and it applies vice versa. As can be seen from Table 7.14,  $p$  value is 0.736 ( $p > 0.05$ ). Referring to the above assumption, it is indicating that customer satisfaction between male and female customers of Islamic banking in Aceh was not statistically significant different.

Table 7.14 Mann-Whitney Statistics Tests for Customer Satisfaction based on Gender Differences

	Male - Female	Mean Rank	N
Mann-Whitney U	24002.500	223.26 (M)	263
Wilcoxon W	58718.500	227.45 (F)	186
Z	-0.337		
Asymp. Sig. (2-tailed)	0.736		

Source: SPSS output

### 7.5.3 Customer Satisfaction based on Age Group

The impact of IWE practice at Islamic banking on customer satisfaction can also be observed through age group of respondent. Based on the data from demographic information section, the age of respondents was divided into six groups, namely “16-20 years old”, “21-30 years old”, “31-40 years old”, “41-50 years old”, “51-60 years old”, and “above 60 years old”.

Table 7.15 provides information on Mean comparison between age group of respondents. Looking at table thoroughly discloses that the group of respondents who were above 60 years old received less impact on IWE practices at Islamic banking as

they perceived. All tested dimension within this group have consistently received lower mean. It is indicating that the customers whose ages were above 60 years old observed the Islamic banks with lower satisfactions. However, the number of respondents within this group was only three people, thus the result might not be significant. The rest of groups received higher Mean ranging from 35.40 (age group of 21-30 years old) to 37.43 (age group of 16-20 years old). Thus, based on these result it can be concluded that age groups did not have significant differences in the way they received impact of IWE practices at Islamic banking in Aceh, except for the latter group.

Table 7.15 Satisfaction based on Age Group (Years)

IWE Dimension	Mean					
	16-20 (n=60)	21-30 (n=202)	31-40 (n=118)	41-50 (n=54)	51-60 (n=12)	> 60 (n=3)
1. Religiousness	4.57	4.18	4.28	4.19	4.22	2.89
2. Effort	4.66	4.40	4.62	4.45	4.57	3.06
3. Competition	4.71	4.42	4.66	4.48	4.67	3.33
4. Work Obligation	4.69	4.38	4.54	4.28	4.53	3.17
5. Quality	4.45	4.41	4.49	4.44	4.55	2.93
6. Collectivity	4.76	4.61	4.72	4.63	4.97	3.44
7. Equality	4.76	4.55	4.72	4.48	4.71	3.44
8. Benefit	4.83	4.45	4.49	4.34	4.50	3.00
<b>Total Means</b>	<b>4.68</b>	<b>4.43</b>	<b>4.57</b>	<b>4.41</b>	<b>4.59</b>	<b>3.16</b>

Source: Adapted from SPSS output

The result of Mean comparison might not be the best way to conclude whether satisfaction between the age groups of Islamic banking's customers were significantly different or not. Thus, in order to provide more convincing results, a Kruskal-Wallis test was undertaken. As mentioned earlier, this test is aimed to determine if there are statistically significant differences between two or more groups for the data that is not distributed normally. One of many approaches in determining the result of this test is by observing the *p* value. If *p* value less than the significance level (in this case 0.05), it indicates that there is a statistically significant differences between the groups tested. In contrast, if it greater than the significance level, it is indicating the data is about the same.



Table 7.16 Kruskal-Wallis H Test for Customer Satisfaction based on Age Groups

Age Groups	N	Mean Rank
16-20	60	222.98
21-30	202	225.77
31-40	118	228.50
41-50	54	214.54
51-60	12	219.25
> 60	3	286.83
<b>Total</b>	<b>449</b>	

Test Statistics <sup>a,b</sup>	
Chi-Square	1.164
df	5
Asymp. Sig.	0.948

*a. Kruskal-Wallis Test*  
*b. Grouping Variable: Age Groups*

Source: SPSS output

As can be seen from Table 7.16, the result of Kruskal-Wallis H Test shows that  $p$  value of these particular groups is 0.948. Hence, it can be concluded that the way that customers perceived satisfaction from the selected Islamic banks in Aceh was not statistically significant different from one age group to another.

#### 7.5.4 Customer Satisfaction based on Educational Level

Similar to the above sections, data for this section is also based on demographic information section. As mentioned in that section, the level of respondent education was separated to seven groups, namely Primary School (PS), Junior High School (JHS), Senior High School (SHS), Diploma (Dipl), Bachelor's (UG), Master's (MS), and Doctorate (DR). Table 7.17 shows Mean comparison between the educational groups that will reflect their satisfaction toward the Islamic banks.

Table 7.17 Satisfaction based on Educational Level

IWE Dimension	Mean						
	PS (n=3)	JHS (n=5)	SHS (n=124)	Dipl (n=58)	UG (n=157)	MS (n=90)	DR (n=12)
1. Religiousness	4.84	5.40	4.31	4.32	4.31	4.01	3.65
2. Effort	4.83	5.13	4.51	4.52	4.57	4.38	3.77
3. Competition	4.45	5.00	4.54	4.75	4.52	4.45	3.89
4. Work Obligation	4.22	5.07	4.54	4.64	4.49	4.20	3.65
5. Quality	4.20	4.56	4.37	4.57	4.51	4.37	3.93
6. Collectivity	5.33	5.27	4.67	4.82	4.66	4.58	4.05
7. Equality	4.61	5.50	4.57	4.78	4.68	4.50	3.71
8. Benefit	4.22	5.00	4.55	4.68	4.56	4.26	3.65
<b>Total Means</b>	<b>4.59</b>	<b>5.12</b>	<b>4.51</b>	<b>4.64</b>	<b>4.54</b>	<b>4.34</b>	<b>3.79</b>

Source: Adapted from SPSS output

As can be observed from Table 7.17, the customers who held master's and doctorate degrees received less impact on IWE practices at Islamic banks as it was reflected in their satisfaction surveys. It seems that educational level was only counted for these two highest degrees as the way they observed the Islamic banks might be different with the rest of groups—that have lower education. Among all groups, customers who only went to Junior High School received more impact and thus more satisfied toward the practices of IWE in the Islamic banks. It must be noted that, however, the number of respondents within this group was only five people which was about 1.1% of total respondents and thus, it was not significant.

To ensure the result is statistically reliable, a Kruskal-Wallis H Test was conducted to compare the effect of educational level on the degree of customer satisfaction. Table 7.18 shows that  $p$  value is 0.500. These results suggested that educational levels did not have any significant effect on customer satisfaction, as it was not statistically differed from one to another group. The difference between the educational groups was likely due to chance. One possible reason was the unequal group sizes among respondents.

Table 7.18 Kruskal-Wallis H Test for Customer Satisfaction  
based on Educational Level

Level of Education	N	Mean Rank
PS	3	109.50
JHS	5	243.10
SHS	124	231.89
Dipl	58	200.00
UG	157	228.51
MS	90	225.82
DR	12	243.96
<b>Total</b>	<b>449</b>	

Test Statistics <sup>a,b</sup>	
Chi-Square	5.352
df	6
Asymp. Sig.	0.500

*a. Kruskal-Wallis Test*  
*b. Grouping Variable: Level of Education*

Source: SPSS output

Discussing about number of respondents, it is interesting to observe the groups of “SHS” and “UG” in which they have quite big amount of fellow respondents. As can be

seen from the table, both groups received similar mean scores in almost all dimensions as shown by their total mean scores ( $M = 4.51$  and  $M = 4.54$  respectively). However, analyzing mean rank from Table 7.18 reveals that “DR” and “JHS” groups received the highest rank among all groups (243.96 and 243.10, respectively). These groups were among three groups that comprised small number of respondents. As a whole, the results suggested that the level of education did not influence customers in perceiving their satisfaction from the Islamic banks.

### 7.5.5 Customer Satisfaction based on Occupation

The impact of IWE practices on Islamic banks toward customer satisfaction could also be analyzed by observing the occupation of customers. In present study, the type of jobs was categorized into nine groups, which “unemployment”, “Student”, “Lecturer”, “Teacher”, “Private employee,” “Civil servant”, “NGO employee”, “Corporates employee”, and “Entrepreneur”. Table 7.19 shows the mean comparison between the observed groups.

Table 7.19 Satisfaction based on Occupation

IWE Dimension	Mean								
	Unemp (n=28)	Stud (n=155)	Lect (n=76)	Teach (n=40)	Priv (n=34)	Civ (n=70)	NGO (n=2)	Corp (n=11)	Entr (n=20)
1. Religiousness	4.32	4.25	3.93	4.31	4.46	4.25	3.67	4.70	4.46
2. Effort	4.54	4.41	4.26	4.69	4.50	4.61	5.00	5.07	4.69
3. Competition	4.25	4.55	4.42	4.63	4.68	4.45	5.00	5.15	4.47
4. Work Obligation	4.51	4.44	4.05	4.64	4.46	4.52	4.17	4.92	4.71
5. Quality	4.56	4.39	4.25	4.51	4.53	4.51	4.70	4.75	4.59
6. Collectivity	4.86	4.57	4.50	4.79	4.72	4.72	4.00	5.06	4.90
7. Equality	4.80	4.54	4.39	4.88	4.75	4.57	5.00	5.15	4.72
8. Benefit	4.65	4.53	4.17	4.72	4.57	4.46	3.33	5.09	4.46
<b>Total Means</b>	<b>4.56</b>	<b>4.46</b>	<b>4.25</b>	<b>4.65</b>	<b>4.58</b>	<b>4.51</b>	<b>4.36</b>	<b>4.99</b>	<b>4.63</b>

Source: Adapted from SPSS output

The result from Table 7.19 shows which of the occupational group received significant impact as the result of IWE practices at the Islamic banks in Aceh that led to customer satisfaction. Based on the table, it can be analyzed that customers who were working for corporations received the highest total value among others, while customers whose

profession was lecturer received the lowest total value. As all lecturers held at least master's and commonly doctorate degrees, this result was partly consistent with the above section (educational level) which showed customers with better education received lower Mean value.

In a further analysis, the table also reveals that seven out of nine respondent groups showed less satisfaction impact for religiousness dimension. It is indicating that the IWE practices on this particular dimension had lesser influence on customer satisfaction. It means that customers noticed that Islamic banking in Aceh had not shown adequate efforts to perform tasks within religiousness dimension. Meanwhile, collectivity dimension showed highest Mean value among customers in five types of jobs, while consistently maintained higher Mean among the rest four types of jobs.

In addition, a result from a Kruskal-Wallis test produces similar results. The assumption of homogeneity of variance was tested and found tenable using Levene's Test. As shown in Table 7.20, there were no statistically significant differences between the types of employment ( $p = 0.158$ ). These results suggested that there was no real difference in customer satisfaction when comparing between types of job among customers.

Table 7.20 Kruskal-Wallis H Test for Customer Satisfaction based on Occupation

Types of Occupation	N	Mean Rank
Unemployed	28	236.14
Student	155	221.91
Lecturer	76	246.78
Teacher	40	213.05
Private Employee	34	226.99
Civil servants	70	191.36
NGO Employee	2	204.00
Corporate Employee	11	273.68
Entrepreneur	20	217.68
Others	13	296.58
<b>Total</b>	<b>449</b>	

Source: SPSS output

Test Statistics <sup>a,b</sup>	
Chi-Square	13.109
df	9
Asymp. Sig.	0.158

*a. Kruskal-Wallis Test*

*b. Grouping Variable: Occupation*

### 7.5.6 Customer Satisfaction based on Income

Another interesting analysis to perceive the customer satisfaction is based on monthly income. The discussion is important as its result would provide information on how income differentiates the way that customers observe the IWE practice in the Islamic banks in Aceh that lead to their satisfaction. As mentioned in the demographic information section, the monthly income of customer was categorized into 10 groups. Considering the variety of customers, the range of income was chosen to be IDR1 million between the groups. The groups were “IDR0-1 million”, “IDR1.1-2 million”, “IDR2.1-3 million”, “IDR3.1-4 million”, “IDR4.1-5 million”, “IDR5.1-6 million”, “IDR6.1-7 million”, “IDR7.1-8 million”, “IDR8.1-9 million”, and “> IDR9 million.”

Results from Table 7.21 reveals that the group of customers with income from IDR8.1-9 million received the highest Mean total comparing other groups while the lowest was the group of customers with the highest income (IDR>9 million). However, as the number of respondents within these two groups was small, the result might be questionable. In the next row, the group of respondents with a relatively higher income (IDR7.1-8 million) also showed higher total Mean value. This result is indicating that customers with higher income seemed to have higher impact as the consequence of IWE practice at the Islamic banking.

Table 7.21 Satisfaction based on Income (IDR Million)

IWE Dimension	Mean									
	0-1 (n=165)	1.1-2 (n=75)	2.1-3 (n=80)	3.1-4 (n=57)	4.1-5 (n=32)	5.1-6 (n=21)	6.1-7 (n=4)	7.1-8 (n=10)	8.1-9 (n=1)	> 9 (n=4)
1. Religiousness	4.29	4.35	4.15	4.17	4.30	3.97	3.83	4.67	5.00	4.17
2. Effort	4.46	4.55	4.40	4.63	4.47	4.35	4.88	5.07	5.00	4.00
3. Competition	4.51	4.46	4.40	4.62	4.68	4.60	4.83	5.20	5.00	4.25
4. Work Obligation	4.45	4.53	4.36	4.49	4.24	4.47	4.30	4.97	5.00	4.08
5. Quality	4.44	4.41	4.42	4.48	4.36	4.39	4.65	4.86	5.00	3.85
6. Collectivity	4.62	4.69	4.57	4.78	4.67	4.62	4.92	5.27	5.67	4.33
7. Equality	4.55	4.69	4.57	4.68	4.54	4.64	4.92	5.10	5.00	4.04
8. Benefit	4.52	4.62	4.35	4.53	4.43	4.24	4.17	5.03	5.00	3.63
<b>Total Means</b>	<b>4.48</b>	<b>4.54</b>	<b>4.40</b>	<b>4.55</b>	<b>4.46</b>	<b>4.41</b>	<b>4.56</b>	<b>5.02</b>	<b>5.08</b>	<b>4.04</b>

Source: Adapted from SPSS output

It must be noted, however, the result could not be generated only based on this result, as the number of respondents for these groups were not representative. Further analysis shows that religiousness dimension consistently received lower Mean value in seven out of 10 income groups. Because of the result for this particular dimension was found similar in almost all sections, the management of Islamic banks should put more attention on this matter. In general, the result of this section shows that there was no significant difference on the way customer perceived the IWE practices in the Islamic banks based on their income.

An analysis using Kruskal-Wallis test showed that there were no statistically significant differences between the income groups of customer in reflecting their satisfaction toward IWE implementation at Islamic banking in Aceh. It can be seen from Table 7.22  $p$  value is 0.731 ( $p > 0.05$ ). These results suggested that income did not specifically affect the way that customers perceived the satisfaction from the Islamic banks, and thus supported the above analysis.

Table 7.22 Kruskal-Wallis H Test for Customer Satisfaction based on Income

Group of Income	N	Mean Rank
IDR 0 - 1 Million	165	216.17
IDR 1.1 - 2 Million	75	243.85
IDR 2.1 - 3 Million	80	231.55
IDR 3.1 - 4 Million	57	208.92
IDR 4.1 - 5 Million	32	223.84
IDR 5.1 - 6 Million	21	231.00
IDR 6.1 - 7 Million	4	171.50
IDR 7.1 - 8 Million	10	276.95
IDR 8.1 - 9 Million	1	169.00
> IDR 9 Million	4	249.38
<b>Total</b>	<b>449</b>	

Test Statistics <sup>a,b</sup>	
Chi-Square	6.086
df	9
Asymp. Sig.	0.731

*a. Kruskal-Wallis Test*  
*b. Grouping Variable: Income*

Source: SPSS output

## 7.6 Discussion of Results

The above explanation has clearly analyzed the customer satisfaction as the impact of IWE practices within the Islamic banking in Aceh. In general, it shows that a high degree of employees' commitment towards IWE become the driven factors for customers in dealing with Islamic banking as the consequence of their satisfactions. It shows through the consistent high satisfaction values that received during the test. The basis for the measurement of customer satisfaction for this study is the dimension of IWE as proposed in Chapter II. Thus, the response of customer for this section is treated as a true reflection of the statement of employees' IWE commitment that previously discussed in Chapter VI.

For example, when an employee claimed (via questionnaire surveys) that he/she always strived for the better result in daily routines, the response from customers will either confirm or refute this claim. If the Mean value for this item is high, the employees' claim on this particular issue is confirmed. In contrast, if the Mean value is low, the customers seem do not fully satisfy with the particular item. Overall, the comparison between the employees' claims and the reality as perceived by customers is reflected in Table 7.23.

Table 7.23 Comparison Ranking of the IWE Dimensions between Employee and Customer

Employees			Customers		
Rank	Dimension	Mean	Rank	Dimension	Mean
1	Collectivity	5.47	1	Collectivity	4.66
2	Religiousness	5.44	2	Equality	4.61
3	Equality	5.42	3	Competition	4.53
4	Quality	5.40	4	Effort	4.50
5	Work Obligation	5.31	5	Benefit	4.49
6	Effort	5.26	6	Work Obligation	4.45
7	Benefit	5.23	7	Quality	4.43
8	Competition	4.85	8	Religiousness	4.25
Average Mean		5.30	Average Mean		4.49

Source: Adapted from SPSS Output

Results from the Table 7.23 reveal that the dimension of collectivity received the highest value of Mean for both employee and customer sides. This implied that both sides consider this dimension was very important. Based on a further investigation, one of many reasons is the civil war. The Acehnese have been long suffering from the effect of the prolong civil war that was firstly erupted in 1945s. It then continued in 1950s and 1970s. The civil wars have not only caused lives of many people, but also the collectivity in the name of Islam (*Islamic ummah*). As revealed in many discussion series and seminars, for most of the Acehnese, the collectivity was something important. Thus, it was not surprising that the Acehnese in general considered the collectivity dimension was essential.

In regard to the IWE practices in Islamic banking, it is interesting to find out that employees of Islamic banking have very high commitment towards collectivity dimension along with the religiousness dimension. When analyzing the corporate culture of each selected banks, this finding is found natural as the banks have incorporated the Islamic values into it. Among the values, the collectivity components are stressed to be guidance for every individual in the banks in performing their jobs. Bank BNI Syariah<sup>16</sup>, for instance, placed *jamā'ah* as one their corporate cultures. Under this culture, every individual in this bank is required to care and have courage in giving as well as taking constructive feedback, establish synergy professionally, share knowledge with others, and understand the correlation in working process. Meanwhile, Bank Muamalat Indonesia<sup>17</sup> puts human capital and its teamwork as important aspects in running their business. A similar value also upheld by Bank Aceh Syariah<sup>18</sup> in which they place “partnership and trust” for its tagline. Related values in different wordings

---

<sup>16</sup> BNI Syariah, *Annual Report 2012: Reliable Banking Partner* (Jakarta: BNI Syariah, 2012), 114.

<sup>17</sup> Bank Muamalat Indonesia, *Annual Report 2012: The Great Leap Forward* (Jakarta: Bank Muamalat Indonesia, 2012), 532.

<sup>18</sup> Bank Aceh, *Annual Report 2012: Strategic Transformation, Building and Strengthening Foundation of Bank Business Growth* (Banda Aceh: Bank Aceh Syariah, 2012), 282.



are also upheld by other selected Islamic banks. Thus, every individual in the banks is guided by a set of value as the guideline in carrying out their attitudes. This analysis matched with the discussion in Chapter V on the profile of each selected Islamic banks including their IWE initiatives.

Although the commitment towards collectivity was confirmed by customers, the religiousness dimension was different. Most customers were not fully satisfied about some religious features in the Islamic banks. The finding on this matter was surprising as it was not expected to determine that most customers perceived the selected Islamic banks were not Islamic enough on this particular matter. Most customers were not certain if the employees of the selected Islamic banks have fully practiced the IWE in their daily routines, although the selected banks have incorporated Islamic principles into their corporate cultures. This was reflected by a lower Mean value of some items in the religiousness dimension. Consequently, it affected the overall satisfaction of customers for the selected Islamic banks. This may be due to the lack of stressing on this matter from the bank's managements when performing daily activities.

Further, Table 7.23 also reveals that though both employees and customers received Mean value in 'high' category, the totals of the value were different. As can be observed from the table, out of eight dimensions for employees' side, seven of them have mean value above 5. Meanwhile, none of dimensions in the customers' side had the Mean value above 5 which was ranging from 4.25 to 4.66. The lowest value in the employees' part was 4.85 for dimension of competition, while the highest value for the customers' part was 4.66 for dimension of collectivity. It was noticed that the lowest value in the employees' part was not even the highest value for the customers' part. The average mean for employee was 5.30, while for customer was 'only' 4.49. These results appeared to be a bit imbalanced.

One possible reason was the tendency of employees to favor themselves. As it was understood that the statements in the questionnaire surveys were aimed to self-measure the level of employees' commitment on IWE against their jobs at Islamic banks. Meanwhile, the statements in the customers' part were mostly intended to measure the level of customer satisfaction on the employees' Islamic ethical behavioral activities. The customers were asked about their feelings towards the services given by the Islamic banks' employees based on their own experiences when dealing with the Islamic banks. Having analyzed this possibility, the responses of customers seemed reasonable and reflected the empirical facts.

This result indicating that although in general the customers are satisfied with the IWE implementation at Islamic banks in Aceh, there are still many things need to be improved. One very noticeable thing is the religious matter of Islamic banking as it is the core of Islamic banking. As perceived by the customers, this particular matter was in need for special attention especially the employee' religious knowledge particularly related to the products, employee's religious obligation and the accommodation for praying.

Based on these results, it can be concluded that customers have not fully satisfied with the employees' religious knowledge. Thus, regular trainings would be a good solution to solve this issue. Further, customers were also not fully certain that employees of the selected Islamic banks performed all religious obligations. Although it was a bit bias due to personal reasons, this response could be a good reflection for employees to evaluate their religiousness. In addition, customers also expressed the sign of dissatisfaction to the praying accommodation within the selected Islamic banks. Theoretically, a sign of dissatisfaction received when the expected value does not meet the reality. Thus, the selected Islamic banks should take necessary actions in resolving these issues.

As mentioned in previous section, in many behavioral studies, IWE is commonly served as a moderator between two or more variables. Relationship marketing, for instance, will increase its correlation with customer satisfaction at a significant level when the IWE serves as mediator. The reason is delivering excellence quality service (as part of IWE) will make the customer satisfy and the ethical relationship will boost the level of customer pleasure<sup>19</sup>. In regard to this study, the role of IWE as moderator between variables can be observed when the customer satisfaction is found not a direct effect of the IWE practices. For example, in the benefit dimension, the role of IWE was strengthening the correlation between company image and customer satisfaction. Thus, when of the image of selected Islamic banks was increasing as the effect of IWE practices, the customer satisfaction was also increasing significantly.

In relation to organizational performance, the importance of customer satisfaction have found in many studies. Satisfied customers formed the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth.<sup>20</sup> The strategic dimension for an organization includes becoming more competitive through customer satisfaction/brand loyalty, product/service quality, brand/firm associations, relative cost, new product activity, and manager/employee capability and performance.<sup>21</sup> When competition intensifies and when organizations start to offer more or less similar products and services, it is the customer satisfaction that can influence the performance of an organization and determines its competitiveness and success.<sup>22</sup> Thus, the result can be a significant input for the Islamic banks to evaluate their services and products in order to satisfy the customers. As one of

---

<sup>19</sup> Abdul Shukor Bin Shamsudin et al., "Preliminary Insights on the Effect," 106-114.

<sup>20</sup> Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 5th ed. (Mason, Ohio: South-Western Cengage Learning, 2008), 493.; Abul Hassan, Abdelkader Chachi, and Salma Abdul Latiff, "Islamic Marketing Ethics," 23-40.

<sup>21</sup> David A. Aaker, *Strategic Market Management*, 10<sup>th</sup> ed. (John Wiley & Sons, 2013), 416.

<sup>22</sup> Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking: a Study of Customer Satisfaction and Preferences in Jordan," *International Journal of Bank Marketing* 17, no. 3 (1999), 135-151.

key performance of organization, customer satisfaction will help the Islamic banks in increasing their performances. Overall, the findings of this chapter provide significant evidences to accept the hypothesis 4: “*IWE positively influences customer satisfaction*”.

## **7.7 Conclusion**

This chapter has comprehensively discussed the results of data analysis in both descriptive and inferential statistics. This chapter provides the answer for achieving the objectives number four of this study, which is determining the degree of customer satisfaction on the IWE implementation at the IBIs in Aceh. The results show that the IWE practices in Islamic banking industry lead to the increasing of customer satisfaction. The findings also show that, except for bank category, there were no significant differences among other groups of customers in perceiving satisfaction from the selected Islamic banks. The results suggest that the high of IWE commitment among Islamic banks’ employees correlates positively to increase customer satisfaction.

## **CHAPTER VIII**

### **CONCLUSION**

#### **8.1 Introduction**

The last seven chapters have comprehensively discussed the problems, objectives, literature reviews, research method, development of questionnaire surveys, data analysis techniques, and result of the analysis. This final chapter provides conclusion of the current research that has been conducted. It also discusses the research findings in light of previous research and examines the research implications for both theoretical and practical. The limitations of this study and the future research recommendations are also presented in later section.

#### **8.2 Overview of the Chapters**

In Chapter I, this thesis presented a broad overview of the research. More specifically, it outlined the following areas: research background and problem statement, the aims and objectives of the study, motivation and rationale for the study, significance of the study, the previous studies and gap, definition of terms used across the study and an outline of the remaining chapters.

Chapter II was intended to provide answers for the first objective of this study. It provided the explanation of the work ethic concept from an Islamic perspective. The discussion on the concept of ethic and work were derived from core teaching of Islam, the Quran and Hadith, plus the Islamic scholars' opinions. Both concepts were discussed separately in order to provide the comprehensive explanation. Based on these discussions, the principles, dimensions, and values of IWE were drawn. These factors

were utilized as the patron for developing of IWE questionnaire surveys in Chapter IV. At the end of the chapter, a conceptual framework was offered.

Further, Chapter III presented the literature reviews regarding organizational performance, indicators and antecedents, and its relationship with IWE. A model for this research was proposed. It was followed by a discussion on the main constructs of organizational performance: job satisfaction, organizational commitment, turnover intention, turnover intention, and customer satisfaction. In addition, the chapter provided relevant studies that led to the questionnaire development. Finally, the chapter concluded with hypothesized relationships between constructs of this study.

Furthermore, in Chapter IV, this study presented the research methodology. In general, it discussed three main components of research methodology, namely research design, data collection method, and data analysis method. In specific, it explained the population and sample for both employees and customers and the development of research instrument in relationship to Chapter II and III. It also explained the data validation for both qualitative (expert validation) and quantitative (pilot study). The chapter also outlined the procedures undertaken to examine construct validity and reliability using Pearson Correlation and Cronbach Alpha. At the end, the chapter concluded with a set of validated instrument that would be used for collecting field data.

In Chapter V, this research comprehensively discussed the profile of Islamic banks that were operating in Aceh. It commenced with an overview of Islamic banking institutions (IBIs) including its historical development and the growth worldwide. The development and growth of Islamic banking sector in Indonesia was highlighted. In the last parts, the chapter discussed the profile of each selected Islamic banks, in where the field data were collected, including their IWE initiatives.

Additionally, Chapter VI provided the result of this study from the employees' part. It presented the data analysis and the statistical methods applied in analyzing the collected data. Demographic information of respondents were also revealed including age, gender, religion, level of education, length of work, position level, and monthly income. The chapter provided reliability and data normality followed descriptive data analysis. It also utilized *t*-test and one-way ANOVA to study the significant differences among the variables. In addition, it also presented the regression analysis to examine the influence IWE towards factors of organizational performance. The chapter concluded with presenting the results of the correlation analysis between the study variables. Above all, it provided significant evidences to accept hypotheses number one to three.

Similarly, Chapter VII provided the result of this study from the customers' part. The statistical procedures applied in Chapter VI were repeated, except for statistical methods. Demographic information of respondents such as age, gender, place of origin, ethnic, level of education, occupation, and monthly income were also revealed. The descriptive analyses were utilized to examine the level customer satisfaction as the impact of IWE commitment among employees of Islamic banks in Aceh. Some non-parametric tools such as Spearman's Rank-Order Correlation, Kruskal-Wallis and Mann-Whitney tests were also employed to examine if the differences among variable were statistically significant. The chapter concluded with the analyzing the Mean values of employees part with the customer part. It observed the impact of IWE on customer satisfaction, and thus provided significant evidence to accept the hypothesis 4.

Chapter VIII is the last chapter of this thesis. It comprised the main findings from previous chapters. The chapter provided a brief explanation on the concept of IWE and organizational performance including the development of measurement instrument. It

explained the level of IWE commitment among employees of IBIs in Aceh, and the impact on customer satisfaction.

### **8.3 Main Findings**

The research examined Islamic banking employees' opinion on the IWE and its impact on organizational performance through non-financial factors, namely job satisfaction, organizational commitment, turnover intention, and customer satisfaction. The latter mention is examined through customer's perception about IWE implementation at Islamic banks in Aceh. The result is compared to and analyzed with the result of the employees' side. The thesis was motivated by the relatively low research carried out in IWE that focus on Indonesian based organizations, particularly the Islamic Banking Institutions (IBIs). In addition, there were few frauds happening with the case of Islamic banks, and there are some other potential frauds waiting if they were not anticipated properly. Another motivation was the slow innovation in the IWE scale. Most of current IWE research utilized a relatively similar scale that was developed by Ali<sup>1</sup> decades ago. Although in general it was useful in term of convenience, the result might be biased due to culture and local value differences.

Instead of heavily relying on secondary data from previous researches, this study measured the perception of employees and customers via a questionnaire survey. A research model was developed that linked IWE, job satisfaction, organizational commitment, turnover intention, and organizational performance. The construct and research instruments were developed and adjusted from literature and the input from experts, which were then tested in pilot studies. The final instruments were delivered and sent to 868 respondents (employees and customers) in seven selected Islamic banks operating in Aceh. Results were analyzed using several tools from SPSS software such

---

<sup>1</sup> Abbas Ali, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128, no. 5 (1988), 575-583.



as descriptive analysis, Pearson correlation, linear regression, *t*-test, one-way ANOVA, Kruskal-Wallis H test, Mann-Whitney U test, and Spearman's rank-order correlation. The results of this research indicated that the employees of Islamic banking in Aceh were highly committed to the IWE and it has a significant influence on customer satisfaction. In addition, within the Indonesian (particularly the Acehese) context, IWE is a strong determinant of job satisfaction, organizational commitment, and turnover intention.

To draw a conclusion from the thesis, it is important to ensure that all research objectives have been accomplished. The summary of the results related to the research objectives is presented below:

1. The notion of work ethics from Islamic views

This objective was achieved through two questions. *First*, how does Islam view the concept of work ethics? *Second*, what are the principles, dimensions and values of work ethics in Islam? The answers for this objective were briefly presented in Chapter II. It revealed that many Quranic verses and Hadiths have directly and indirectly discussed the concept of work ethics in Islam. In Islam, the term 'ethics' is designated to several terms to denote the concept of moral. There are *al-khāyr* (goodness), *al-birr* (righteousness), *al-qist* (equity), *al-ḥaq* (truth and right), *al-'adl* (justice), *al-ma'rūf* (known and approved) and *al-taqwā* (piety). Among all, the most common term that referred to ethics is *akhlāq*.

Meanwhile, work in Islam distinguishes from other beliefs. Islam views work as an integral part of the worship act. Within this views, every Muslim will envision his work in twofold manner; as a source of financial support and achieving good worldly life (*al-falāḥ fī al-dunyā*), as well as a mean of serving Allah SWT and

preparing for the success of afterlife (*al-falāḥ fī al-ākhirah*). More comprehensively, work in Islam is not only to achieve material and human physical pleasure but it is also a form of human engagement and cooperation (*al-ta'āwun*), an act of worship (*al-'ibādah*), an act of kindness towards others (*al-iḥsān*), execution of responsibilities and accountabilities (*al-amānah*), security of self-dignity (*ḥifẓ al-murū'ah*) and as a part of reliance toward God (*al-tawakkal*). For these number of reasons, Islam recognizes work in the highest regards, to the extent of considering it as articulation one's faith, thus accentuate its vital role in life. Thus, IWE is performing positive actions with good intentions as the matter of getting bless from Allah SWT to benefit society and oneself.

To conduct work activities within the Islamic ethical framework, there are five principles that are need to be followed, namely *tawḥīd*, *khilāfah*, *'adl*, *ikhtiyār* and *fard*. These principles are not stand-alone principles, but they are related to each other. Adherence to these principles will promote the act of **religiousness** such as *taqwā*, *iḥsān*, develop consciences (the sense of right or wrong), and so on. It will also observe **effort** as an obligation to achieve the needs, and view **competition** from different and positive angle. In addition, the conformity to the principles will also affect the way people conduct their **work obligations**. Consequently, it will boost up the work **quality**; promote **collectivity** and **equality** at workplace. At the end, it will have a very significant effect to **benefit** both oneself and society. Conforming to these dimensions will stimulate positive actions in workplace and create a hard-work employee, honest, patient, responsible, creative, sincere, decent, diligent, and many other positive values.

## 2. The employees' level of commitment towards IWE in IBIs in Aceh

To achieve this objective, one question needs to be answered: to what extent do the employees of IBIs in Aceh commit to IWE? The answer for this objective has briefly answered in Chapter VI. The results of data analysis revealed that employees of the selected Islamic banks in Aceh has a very high commitment to implement the IWE values in their daily routines. These results were generated by the analyses of Mean values and Standard Deviation of each item from the questionnaire survey. It measured using six-point scales ranging from 1 (lowest commitment) to 6 (highest commitment).

The dimension of collectivity shows the highest Mean value, while competition dimension shows the lowest Mean value among others. For most of Islamic banks' employees, most actions within collectivity dimensions have become the habitual actions in their daily routines. All Islamic banks have incorporated the actions into their corporate values. However, the dimension of competition needs certain attention as it was reflected by the lower acceptance of Mean value. As mentioned in Chapter VI, some employees of the selected Islamic banks felt that the internal competitions within their banks were not performed in fair and justice ways. Thus, the Islamic banks need to create an environment that allow all individuals within their banks to compete fairly and justly. Adopting the Islamic ethical values could be one of the possible solutions.

In addition, the information from demographic section—such as bank category, gender, age, position, income, and so on—were analyzed using *t*-test and one-way ANOVA to examine the commitment differences among the employees. Of many demographic information, only bank category showed the significant differences on the IWE commitment. However, not all categories were different in IWE commitment. As displayed in Table 6.11 Chapter VI, it only differed between the

employees who work within the IBU and ICB, as well as between the IBU and IRB, but no significant difference between the ICB and IRB.

These results indicated that the demographic factors such as gender, age, position, education, work duration, and income did not influence the employees' commitment toward IWE. Thus, whether the employees were male or female, younger or older, have higher positions or lower, well-educated or less, and so on had similar commitment to implement the Islamic ethical values in their daily jobs. It seemed that IWE values were viewed as visible solution in promoting goodness for people regardless of their social statuses. The aforementioned were related to individual's feelings.

However, when the IWE commitment was analyzed using the category of bank, the result showed the differences in the way they were committed to IWE, especially between employees of IBU and ICB, and between employees of IBU and IRB. As mentioned in Chapter VI, the possible reason is the nature of these banks' categories. The IBU was the Shariah unit of a conventional bank, while the ICB and IRB were the full-pledge Islamic banks. The establishment and implementation of corporate values within banks were different. For ICB and IRB, the setting up of the banks were, since the beginning, based on Islamic values, while for the IBU was based on the need of shareholders of its parent company, the conventional bank. Although, it has the Shariah Supervisory Board, the core values within the banks were still different. In daily activities, IBU were much concern on how to make more profits for its shareholders rather than social benefits.

3. The influence of IWE towards the employees' job satisfaction, organizational commitment, and turnover intention at IBIs in Aceh

In order to accomplish this objective, three questions need to be answered. *First*, how does the IWE influence the employees' job satisfaction of IBIs in Aceh? *Second*, what is the impact of IWE on employees' organizational commitment at IBIs in Aceh? *Third*, how is the correlation between IWE commitment and turnover intention at the IBIs in Aceh?

The results of data analysis revealed that IWE have positive influence on both job satisfaction and organizational commitment, but it has an inverse relationship with turnover intention. These findings suggest that the more an employee commit to IWE, the more satisfied and committed he/she is to the organization, and conversely the less likely he/she will consider leaving the organization. The analysis also highlighted that IWE has a stronger influence on organizational commitment than job satisfaction and turnover intention. The full and comprehensive analysis of this particular objective was presented in Chapter VI. These results provided significant evidences to accept hypothesis 1 (*IWE positively influences job satisfaction*), hypothesis 2 (*IWE positively influences organizational commitment*), and hypothesis 3 (*IWE negatively influences turnover intention*).

4. The impact of IWE implementation on customer satisfaction at the IBIs in Aceh

In achieving the last objective of this study, a question is set to be answered: how does the IWE implementation at the IBIs in Aceh affect the customer satisfaction? Based on the data analysis, it can be concluded that in general customer of Islamic banks in Aceh received high satisfaction as the impact of IWE implementation among employees of the Islamic banks. As showed in Chapter VII, the results for this objective were generated by the analyses of Mean values and Standard Deviation of each item from the questionnaire survey. Similar to objective 2, the

measurement scale was also utilized six-point scale ranging from 1 to 6 (lowest to highest).

The analysis revealed that collectivity dimension has the highest Mean value, while religiousness resulted in the lowest value. These findings suggested that the way that customers perceived satisfactions were much more influence by the factors within the collectivity dimensions, such as teamwork, willingness to help, consultation, and so forth. Thus, these results matched with the claim of most employees that they were more committed to the IWE's factors within collectivity dimension comparing to factors within other dimensions. However, the findings also suggested that customers perceived lower satisfaction in religiousness dimension. It indicated that in customers' point of views, the Islamic banks including its employees were not fully obliged to perform certain factors within this dimension. As the Islamic banks, it is the paramount factor in conducting their daily operations. Thus, the Islamic banks should put more concern on this particular dimension.

In addition, data from demographic section—such as bank category, gender, age, occupation, level of education, income, and so on—were analyzed using Kruskal-Wallis H test and Mann-Whitney U Test to examine which group of customer differ from others in perceiving satisfaction. It revealed that only customer within bank category showed the differences. The result from Table 7.12 Chapter VII showed that statistically there was a highly significant difference between ICB and IBU, and a slightly significant difference between IBU and IRB. Meanwhile, there was no evidence of significant difference between ICB and IRB.

These results suggested that the demographic factors such as gender, age, occupation, education, ethnic, and income did not have significant impact on the

ways customer perceived satisfaction from Islamic banks. It seemed that the personality of customers did not play significant roles on this matter, but it much more on how the banks were operated. As mentioned earlier, the establishment of IBU was different comparing to ICB and IRB. The IBU was the Shariah unit of a conventional bank, while the ICB and IRB were the full-pledge Islamic banks. Thus, the core values of these banks were also different. For ICB and IRB, the setting up of the banks were, since the beginning, based on Islamic values, while for the IBU was based on the need of shareholders of its parent company, the conventional bank. Although, it has the Shariah Supervisory Board, the core values within the banks were still different. In daily activities, IBU were much concern on how to make more profits for its shareholders rather than social benefits. The differences in the implementing of core values have influenced the way of customers perceived their satisfactions from the respective banks.

Above all, in addition to the aforementioned analyses, Spearman's rank-order test showed a very significant correlation between all IWE dimensions and thus provided additional evidence to accept the hypothesis 4, which is: *"IWE positively influences customer satisfaction"*.

## **8.4 Research Implications**

Based on the research findings, this study has two implications, (1) theoretical implication, that would be useful for the academic world, and (2) practical implication, that would be useful for Islamic banks operating in Indonesia, especially in Aceh. These implications are outlined and discussed in the following subsections.

### **8.4.1 Theoretical Implications**

In this section, some of the theoretical implications of the data discussed and the analyses performed are presented. This will help situate the main findings of this part in

a broader theoretical framework. This research has several important implications for the IWE and organizational behavior literature.

The study on Islamic Work Ethics (IWE) has relatively new comparing to its counterpart, the Protestant Work Ethics (PWE). It is noted that, the earlier academic study on this field began on early 1980s when some Islamic scholars published their research on work ethics from Islamic perspectives. Perhaps, the study of Naqvi and Nasr were among the first academic studies that focused on IWE. Currently, many works on IWE have been done many other researchers. However, the growth of IWE studies are not consistent with the massive growth of Islamic financial institutions, particularly the Islamic banking. Data in Chapter I and V revealed these institutions have grown tremendously in last decades. In addition, a quick search on Google—as discussed in Chapter I—has also proved the insufficient research on IWE comparing to its PWE counterpart. Therefore, this study has contributed in filling in the gap in the literature of IWE. As current IWE is dominated by Middle-East background, this study has also contributed to the IWE research on different angle, particularly Indonesian context.

In addition, among many IWE research that are currently available in the academic world, more than 95%<sup>2</sup> relied on the scale developed by Ali<sup>3</sup> in 1988. Ever since, the IWE measurement scale has not shown significant progress. Ali's scales were utilized in many studies setting across nation and culture. Many authors tend to ignore the cultures and values differences from one to another country. As the scales were intended as an immediate response to the false claim on the economic backwardness that prevailed Muslim nations particularly the Arab states, they were mainly focusing on the items of economic development with the Arab setting, thus it has been too much influenced by

---

<sup>2</sup> This percentage is based on articles available on Google Scholar on 4 October 2012 when the searching of literature reviews for this study was performed.

<sup>3</sup> Abbas Ali, "Scaling an Islamic," 575-583.



Arab culture. Moreover, the existing literatures on the IWE have been under the influence of the PWE. Consequently, most of measurement items were designed similar to the items in the PWE and thus, it creates confusion whether the scale measures IWE or PWE<sup>4</sup>. For that reason, this study contributed in reconstructing a new approach of IWE scaling.

Further, this study confirmed the relationships reported in the literature between IWE and various non-financial factors of organizational performance, such as job satisfaction, organizational commitment, turnover intention, and customer satisfaction. The findings of the study showed that IWE has a direct impact on increasing organizational performance of organizations, in this case Islamic banks. In the last decades, studies on these related issues were conducted separately. Most researchers tend to observe these factors outside of organizational performance studies. The performance was usually examined using financial factors such as benefit, sales, revenue, and other financial factors. As discussed in Chapter II, this current study has clearly showed that factors like job satisfaction, organizational commitment, turnover intention, and customer satisfaction are the non-financial factors that also determine the performance of an organization. Therefore, this study contributed to fill in the lack of literatures in the above particular matters.

#### **8.4.2 Practical Implications**

Results reported in the present study have several practical implications, particularly for Islamic banking sector in Indonesia, and Islamic financial institutions in general. More specifically, the findings of this research clearly demonstrate the important task of creating an Islamic ethical environment within organizations, especially the IBIs. This can be achieved by using both formal and informal approaches, including training,

---

<sup>4</sup> Hamid Ebadollahi Chanzanagh and Mahdi Akbarnejad, "The Meaning and Dimensions of Islamic Work Ethic: Initial Validation of a Multidimensional IWE in Iranian Society," *Procedia - Social and Behavioral Sciences* 30, no. n/a (2011), 916 – 924.

mutual respect, honesty, transparency, hard work, fair and justice, and so forth. All these efforts have the objective of creating an Islamic work ethical culture that encourages ethical conduct in the Islamic banking. When these have been achieved, job satisfaction and commitment to the banks will increase, while the intention to leave the banks will decrease. For customer's perspective, adherence to these values will indirectly increase satisfaction as the result of excellent services and good behavior.

It is also important to realize that the culture and local values difference across countries do not differ the results from many related IWE studies. As mentioned in Chapter VI and VII, the results of this study were consistent with literature reviews<sup>5</sup>. It means that although the nature of this study, particularly its respondents, differ from many other studies, the results were generated similarly. The core value of Islamic ethics promotes goodness for all human beings regardless countries, cultures, educational background, and many local values. Thus, though this study was conducted in Aceh, Indonesia, the results of this study is applicable to different study settings.

Accordingly, the implementation of an Islamic ethical culture in Islamic banks must be strengthened to reflect what Islamic ethical values are to be most prominent. At the same time, the awareness of all people in Islamic banks should also be increased. Thus, Islamic banks should take action to develop, maintain and enhance Islamic ethical environment within the banks. For example, a code of ethics and ethical policies and procedures should reflected the Islamic ethical values and be actively enacted, not only

---

<sup>5</sup> See: Abdul Shukor Bin Shamsudin et al., "Preliminary Insights on the Effect of Islamic Work Ethic on Relationship Marketing and Customer Satisfaction," *The Journal of Human Resource and Adult Learning* 6, no. 1 (2010), 106-114.; Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking: a Study of Customer Satisfaction and Preferences in Jordan," *International Journal of Bank Marketing* 17, no. 3 (1999), 135-151.; Nor Nazliyah Binti Zainol, "Islamic Work Ethics, Organizational Culture and Organizational Commitment: A Study of Employees at Majlis Amanah Rakyat" (Master Thesis, Universiti Utara Malaysia, 2009), 84.; Wahibur Rokhman, "The Effect of Islamic Work Ethics on Work Outcomes," *Electronic Journal of Business Ethics and Organization Studies* 15, no. 1 (2010), 21-27.; Mohd Adib bin Abd Muin, "The Effect of Islamic Work Ethics on Work Outcomes: A Case Study on Higher Education in State of Kedah" (Masters Thesis, Universiti Utara Malaysia, 2011).; Muhammad Umar bin Ajmal and Sana Irfan, "Understanding the Moderating Role of Islamic Work Ethics between Job Stress and Work Outcomes," *IOSR Journal of Business and Management* 16, no. 1 (2014), 62-67.

simply be of symbolic status within the banks. Consequently, an appropriate approach should be undertaken by the Islamic banks to provide a clear, concise and coherent vision about their commitment to enhance the IWE by individuals in the banks. In this regard, results of this study provided a practical guidance for Islamic banks to be applied.

This point leads to another practical contribution of this research in regards to the implementation of an Islamic ethical compliance system in Islamic banks. As reported in this research Chapter VII, findings revealed that the effect of IWE implementation on customer showed the lowest satisfaction. This conclusion means an activity based on individual's religiousness in an Islamic bank was still not dominated and the environment in the banks did not encourage such actions. Therefore, to overcome this, it is important for the Islamic banks to monitor the employee's awareness of the religiousness actions in Islamic banks. For example, the Islamic banks can conduct a weekly religious discussion among individuals within the banks, or by inviting an Islamic religious scholar. Through this approach, the individuals in the Islamic banks are always reminded to avoid any unethical actions and perform their religious obligations accordingly. This will encourage anyone to be more aware of unethical practices in Islamic banks and enhance the satisfaction of customers.

## **8.5 Research Limitations and Future Recommendations**

Despite the major findings, this research needs to be considered in view of its limitations. The first limitation of this study revolves around the characteristics of the sample. This sample is comprised of employees and customers of IBIs operating in the Aceh capital city, Banda Aceh. Given the limitations of the time available to conduct this research, the study has not been able to accommodate all provinces and IBIs in Indonesia. Thus, it might restrict the generalizability of findings obtained to Islamic banks operating across Indonesia or other similar industries, such as financial service

providers and insurance companies. Indonesia has a very wide area covering 34 provinces, and each province has various IBIs. According to Bank Indonesia, the total number of IBIs offices across Indonesia as per October 2013 was 2939 offices<sup>6</sup>. Future studies should consider using different locations and larger samples. It should accommodate larger area in Indonesia in order to generalize the results.

In addition, this study was exclusively conducted at IBIs in Aceh using mostly self-developed and modified questionnaire to adjust with the local culture, language, and values. Consequently, the reliability and validity of the instrument might restrict only to this area. Therefore, the users of this questionnaire in future studies should perform other validity and reliability tests. It was also noted that results of this study mostly relied on quantitative approach and thus some weakness of this approach might affect the results. As shown in Chapters VI and VII, the results displayed mostly in numbers and the discussions were based on that numbers. Thus, the analysis might not able to explore all the possibilities reasons. Therefore, future studies should consider using mixed mode, the combination of qualitative and quantitative methods. Within this approach, the observation, participatory, in-depth interview and Focus Group Discussion (FGD) can be simultaneously used to achieve a better result.

The limitation is also related to the social desirability bias<sup>7</sup>. As the main topic in this research involves the major area of ethics, the sensitivity of this topic raises the issue of such bias. It was when respondents tended to create a 'holier than thou' response<sup>8</sup>. In other words, they tended to be more ethical when they realized that a research is about ethical behavior. Previous research has found that social desirability bias can create uncertainty in the findings of ethics research<sup>9</sup>. Therefore, future studies should consider

---

<sup>6</sup> Bank Indonesia, *Islamic Banking Statistics 2013* (Jakarta: Bank Indonesia, 2013).

<sup>7</sup> Douglas P Crowne and David Marlowe, "A New Scale of Social Desirability Independent of Psychopathology," *Journal of consulting psychology* 24, no. 4 (1960), 349.

<sup>8</sup> F.L. Fry and R.J. Hock, "Who Claims Corporate Responsibility? The Biggest and the Worst," *Business and Society Review* 18, no. Winter (1976), 62-65.

<sup>9</sup> Norizah Mohd Mustamil, "The Influence of Culture and Ethical Ideology on Ethical Decision Making Process of Malaysian Managers" (Doctoral Thesis, Curtin University of Technology, 2010), 272.

measuring social desirability bias to examine the degree of responses that are related to the bias.

## **8.6 Conclusion**

The discussion in this chapter highlights that the research has accomplished all the proposed objectives. The findings were found consistent with most previous studies although this study was conducted in different setting. It also showed that the results are able to provide positive implication, not only in enriching the literatures of IWE, but also in giving practical implications for Islamic banks in Indonesia. The questionnaire surveys for IWE was redevelop to provide another alternative in measuring IWE, and thus break through the stagnancy in IWE scale. However, this study is far from perfect and thus it opens way for more similar studies in the future.

## BIBLIOGRAPHY

- A. Buchanan, "The Blackwell Encyclopedic Dictionary of Business Ethics," in *Blackwell Encyclopedia of Management*, ed. Patricia H. Werhane, and R. Edward Freeman (Malden: Blackwell, 1997).
- A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry, "A Conceptual Model of Service Quality and its Implications for Future Research," *Journal of Marketing* 49, (1985), 41-50.
- Aaron Cohen, "Career Stage as A Moderator of The Relationships between Organizational Commitment and Its Outcomes: A Meta-Analysis," *Journal of Occupational Psychology* 64, no. 3 (1991), 253-268.
- Abbas J. Ali and Abdullah Al-Owaihian, "Islamic Work Ethic: a Critical Review," *Cross Cultural Management: An International Journal* 15, no. 1 (2008), 5-19.
- Abbas J. Ali and Ahmed A. Azim, "Islamic Work Ethic and Organization in Development" (paper presented at the 23<sup>rd</sup> International Congress of Applied Psychology, Madrid, Spain, 1994).
- Abbas J. Ali and Ali A. Al-Kazemi, "Islamic Work Ethic in Kuwait," *Cross Cultural Management: An International Journal* 14, no. 2 (2007), 93-104.
- Abbas J. Ali and Ali Al-Kazemi, "The Kuwaiti Manager: Work Values and Orientations," *Journal of Business Ethics* 60, no. 2005, 63-73.
- Abbas J. Ali and Manton Gibbs, "Foundation of Business Ethics in Contemporary Religious Thought: the Ten Commandment Perspective," *International Journal of Social Economics* 25, no. 9 (1998), 1552-1564.
- Abbas J. Ali and Mohammed Al-Shakhis, "Managerial Beliefs about Work in Two Arab States," *Organization Studies* 10, no. 2 (1989), 169-186.
- Abbas J. Ali, "Islamic Work Ethic in Arabia," *Journal of Psychology* 126, no. 5 (1992), 507-520.
- Abbas J. Ali, "Scaling an Islamic Work Ethic," *The Journal of Social Psychology* 128, no. 5 (1988), 575-583.
- Abbas J. Ali, "Value Systems as Predictors of Work Satisfaction of Arab Executives," *International Journal of Manpower* 8, no. 2 (1987), 3-6.
- Abd al-Rahman Ibn Khaldun, *The Muqaddimah* (Princeton, NJ: Princeton University Press, 2004).
- Abdi O. Shuriye and Ibrahim A. Haji Adam, "The Concept of Itqan and Its Role in Muslim Professional Life," in *Ethics of Engineering Education*, ed. Abdi O. Shuriye, Ahmad Faris Ismail, and Azweeda Bt. Dahalan@Ghazali (Kuala Lumpur, Malaysia: IIUM Press, 2009), 99-105.

- Abdul Rahman, SMMR Naqvi, and M Ismail Ramay, "Measuring Turnover Intention: A Study of IT Professionals in Pakistan," *International Review of Business Research Papers* 4, no. 3 (2008), 45-55.
- Abdul Shukor Bin Shamsudin et al., "Preliminary Insights on the Effect of Islamic Work Ethic on Relationship Marketing and Customer Satisfaction," *The Journal of Human Resource and Adult Learning* 6, no. 1 (2010), 106-114.
- Abdullah Saeed, *Islamic Banking and Interest: A Study of the Prohibition of Riba and its Contemporary Interpretations* (Leiden, Holland: Brill, 1999).
- Abdus Sattar Abbasi, Ghulam Mustafa Mir, and Muzammil Hussain, "Islamic Work Ethics: How They Affect Organizational Learning, Innovation and Performance," *Actual Problem of Economics* 12, (2012), 471-480.
- Abdus Sattar Abbasi, Kashif Ur Rehman, and Amna Bibi, "Islamic Work Ethics: How it Affcets Business Performance," *Actual Problem of Economics* 126, no. 12 (2011), 312-322.
- Abraham Sagie, "Employee Absenteeism, Organizational Commitment, and Job Satisfaction: Another Look," *Journal of Vocational Behavior* 52, no. 2 (1998), 156-171.
- Abū ‘Abd Allāh Muḥammad ibn Ismā‘īl al-Bukhārī, *Ṣaḥīḥ al-Bukhārī* (Arabic-English), trans. Muhammad Muhsin Khan, 9 vols., vol. 2 and 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 1997).
- Abū ‘Abd ar-Raḥmān Aḥmad ibn Shu‘ayb ibn Alī ibn Sīnān al-Nasā‘ī, *Sunan al-Nasā‘ī* (Arabic-English), trans. Nasiruddin al-Khattab, 6 vols. (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007).
- Abū ‘Īsā Muḥammad ibn ‘Īsā as-Sulamī aḍ-Ḍarīr al-Būghī at-Tirmidhī, *Jāmi` at-Tirmidhī* (Arabic-English), trans. Abu Khaliyl, 6 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007).
- Abu al-‘Ala al-Maududi, *Islamic Way of Life* (Karachi: Islamic Research Academy, 1967).
- Abū al-Ḥusayn ‘Asākir ad-Dīn Muslim ibn al-Ḥajjāj ibn Muslim, *Ṣaḥīḥ Muslim* (Arabic-English), trans. Nasiruddin al-Khattab, 7 vols., vol. 3 (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2007).
- Abū al-Qāsim Sulaymān bin Aḥmad al-Ṭabranī, *Al-Mu'jam al-Awsaṭ*, ed. Abu Mu'az and Abu al-Fadh, (Kairo: Dar al-Haramain, 1995), 139-140.
- Abū Bakr Aḥmad bin al-Ḥusayn al-Bayhaqī, *al-Jāmi'li Syu'abi al-Īmān*, (Riyadh, Saudi Arabia: Maktaba al-Rusyd, 2003).
- Abū Dāwūd Sulaymān ibn al-Ash‘ath, *Sunan Abū Dāwūd* (Arabic-English), trans. Nasiruddin al-Khattab, 5 vols. (Riyadh, Saudi Arabia: Darussalam Publisher and Distributor, 2008).

- Abū Hāmid Muḥammad ibn Muḥammad al-Ghazālī, *Iḥyā' 'Ulūm al-Dīn* [Revival of Religious Learnings], trans. Fazl-ul-Karim, 1<sup>st</sup> ed., 4 vols. (Karachi, Pakistan: Darul Ishaat, 1993).
- Abul Hassan, Abdelkader Chachi, and Salma Abdul Latiff, "Islamic Marketing Ethics and Its Impact on Customer Satisfaction in the Islamic Banking Industry," *J.KAU: Islamic Econ* 21, no. 1 (2008), 23-40.
- Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. Jim Manis, The Electronic Classics Series (Hazleton, PA: Pennsylvania State University-Hazleton, 2005).
- Adrian Furnham, "The Protestant Work Ethic: A Review of the Psychological Literature," *European Journal of Social Psychology* 14, no. 1 (1984), 87-104.
- Ahasanul Haque, "Islamic Banking in Malaysia: A Study of Attitudinal Differences of Malaysian Costumers," *European Journal of Economics, Finance and Administrative Sciences* 18, no. 2010), 312-322.
- Ahlam Waemusor, "The Relationship between Perceived Islamic Bank Corporate Social Responsibility Based Customer Service and Customer Satisfaction: The Role of Religiosity as a Moderator" (Master's Thesis, Universiti Sains Malaysia, Penang, Malaysia, 2010).
- Aḥmad ibn Muḥammad Miskawayh, *An Unpublished Treatise of Miskawaih on Justice* (Leiden, E. J. Brill, 1964).
- Ahmad ibn-Muhammad Miskawayh, *The Refinement of Character: A Translation from Arabic of Ahmad ibn-Muhammad Miskawayh's Tahdhib al-Akhlaq*, trans. Constantine K. Zurayk (Beirut: American University of Beirut, 1968).
- Ahmad Ismail Yahya Isa-Abduh, *Amal Fi Al-Islam: Kitab Yabhatu Fi Al-amal Wa-Al-amilin Fi Al-Shariah Al-Islamiyah Wa-Al-Nuzum Al-Wadiyah* (Cairo: Dar al-Maarif, 1983).
- Ahmad Janan Asifudin, *Etos Kerja Islami* (Surakarta: Muhammadiyah University Press, 2004).
- Ahmed Abdel-Fattah El-Ashker, *The Islamic Business Enterprises* (Kent, UK: Croom Helm, 1987).
- Alan O. Sykes, "An Introduction to Regression Analysis " in *Chicago Working Paper in Law & Economics* (Chicago: University of Chicago, USA).
- Alexander Welsh, "Business Is Busyness or the Work Ethic," *Social Research* 72, no. 2 (2005), 471-500.
- Ali bin Emrullah and Muhammed Hadimi, *Ethics of Islam*, 3<sup>rd</sup> ed., vol. 17, Waqf Ikhlas Publication Series (Istanbul, Turkey: Hakikat Kitabevi, 2001).
- Ali ibn-Abi-Talib, *Nahjul Balagha: Sermons, Letters, and Sayings of Ali ibn Abi Talib* trans. F. Ebeid (Beirut: Dar alkitab Al-Lubnani, 1989).



- Ali Muhammad Khalil Ash-Shafti, *Iltizam: Membangun Komitmen Seorang Muslim*, trans. Abdul Hayyie al Kattani, and Sabaruddin (Jakarta: Gema Insani Press, 2003).
- Alice M Isen and Paula F Levin, "Effect of Feeling Good on Helping: Cookies and Kindness," *Journal of Personality and Social Psychology* 21, no. 3 (1972), 384.
- Allen C. Bluedorn, "A Unified Model of Turnover from Organizations," *Human Relations* 35, no. 2 (1982), 135-153.
- Allen C. Bluedorn, "The Theories of Turnover: Causes, Effects, and Meaning," in *Research in the Sociology of Organizations: A Research Annual*, ed. Samuel B. Bacharach (Greenwich, CT: JAI Press Inc, 1982), 75-128.
- Alwiyah Jamil, "Pengaruh Etika Kerja Islam terhadap Sikap-sikap pada Perubahan Organisasi: Komitmen Organisasi sebagai Mediator " (Master's Thesis, Universitas Diponegoro, 2007).
- Amanda Moseley, Lesley Jeffers, and Jan Paterson, "The Retention of the Older Nursing Workforce: A Literature Review Exploring Factors Which Influence the Retention and Turnover of Older Nurses," *Contemporary Nurse* 30, no. 1 (2008), 46-56.
- Amanullah Khan and Khurram Shahzad, "Work Outcomes of Islamic Work Ethics: Evidence from Pakistan," *Journal of Islamic Business and Management* 1, no. 2 (2012), 174.
- Amin Wibowo, "The Impact of Organizational Culture and Internal Corporate Governance on Organizational Performance in Indonesian Companies" (Doctoral Thesis, Curtin University of Technology, Australia, 2008).
- Amir Abou Elnaga, "Measuring Level of Job Satisfaction: A Study of Employees at Al-Islam Trading Company for Auto Spare Parts," *Journal of Management Research* 5, no. 1 (2013), 302-316.
- Anders Dysvik and Bård Kuvaas, "The Relationship between Perceived Training Opportunities, Work Motivation and Employee Outcomes," *International Journal of Training and Development* 12, no. 3 (2008), 138-157.;
- Andrew Ghillyer, *Business Ethics: A Real World Approach* (New Jersey: McGraw-Hill/Irwin, 2008).
- Andrew K. Schnackenberg and Edward C. Tomlinson, "Organizational Transparency: A New Perspective on Managing Trust in Organization-Stakeholder Relationships," *Journal of Management*, no. 2014).
- Andy D. Neely, *Business Performance Measurement : Theory and Practice* (Cambridge [u.a.]: Cambridge Univ. Press, 2002).
- Anjte Missbach, "Ransacking the Field," *Critical Asian Studies* 43, no. 3 (2011), 373-398.

- Ann Lehman, *JMP for Basic Univariate and Multivariate Statistics: A Step-by-Step Guide* (Cary, NC: SAS Institute, 2005).
- Anselmo F. Vasconcelos, "Internal Demarketing: Construct, Research Propositions and Managerial Implications," *Management & Marketing* 6, no. 1 (2011), 35-58.
- Anselmo Ferreira Vasconcelos, "Internal Demarketing: Construct, Research Propositions and Managerial Implications," *Management & Marketing* 6, no. 1 (2011), 35-58.
- Anthony A. Atkinson, John H. Waterhouse, and Robert B. Wells, "A Stakeholder Approach to Strategic Performance Measurement," *Sloan Management Review* 38, no. 3 (1997), 25-37.
- Anusorn Singhapakdi et al., "Toward an Understanding of Religiousness and Marketing Ethics: An Empirical Study," *Journal of Business Ethics* 27, no. 4 (2000), 305-319.
- Aric Rindfleisch, Nancy Wong, and James E Burroughs, "God and Mammon: The Influence of Religiosity on Brand Connections," in *The Connected Customer: The Changing Nature of Consumer and Business Markets*, ed. Stefan HK Wuyts, et al. (Taylor & Francis, 2011), 163-199.
- Arshad Mahmood Sadozai et al., "Moderating Role of Islamic Work Ethics between the Relationship of Organizational Commitment and Turnover Intentions: A Study of Public Sector of Pakistan," *Mediterranean Journal of Social Sciences* 4, no. 2 (2013), 767-775.
- Asyraf Wajdi Dusuki and Humayon Dar, "Stakeholders' Perceptions of Corporate Social Responsibility of Islamic Banks: Evidence from Malaysian Economy" (paper presented at the International Conference on Islamic Economics and Finance, Jeddah, 2007), 389-417.
- Asyraf Wajdi Dusuki, "The Ideal of Islamic Banking: A Survey of Stakeholders' Perception," *Review of Islamic Economics* 11, no. special (2007), 29-52.
- Azman Ismail et al., "Kaitan antara Kepuasan Kerja, Sikap terhadap Ganjaran Kewangan dan Keinginan untuk Berhenti Kerja Secara Sukarela: Pendekatan Empirikal dan Pendekatan Islam," *Jurnal Teknologi* 57, no. Sains Sosial (2012), 157-182.
- Bahaudin G. Mujtaba, Reza Tajaddini, and Lisa Y. Chen, "Business Ethics Perceptions of Public and Private Sector Iranians," *Journal of Business Ethics* 104, no. 3 (2011), 433-447.
- Bank Aceh, *Annual Report 2012: Strategic Transformation, Building and Strengthening Foundation of Bank Business Growth* (Banda Aceh: Bank Aceh Syariah, 2012).
- Bank Aceh, *Annual Report 2013: The Momentum of Change to be a Regional Bank's Champion* (Banda Aceh: Bank Aceh, 2013).
- Bank Indonesia, *Islamic Banking Statistics 2011* (Jakarta: Bank Indonesia, 2011).

- Bank Indonesia, *Islamic Banking Statistics 2012* (Jakarta: Bank Indonesia, 2012).
- Bank Indonesia, *Kajian Ekonomi Regional Provinsi Aceh*, vol. 3<sup>rd</sup> Quarter 2012 (Banda Aceh: Bank Indonesia, 2012).
- Bank Indonesia, *Outlook Perbankan Syariah Indonesia 2012* (Jakarta: Bank Indonesia, 2011).
- Bank Indonesia, *Outlook Perbankan Syariah Tahun 2013* (Jakarta: Bank Indonesia, 2012).
- Bank Muamalat Indonesia, *Annual Report 2012: The Great Leap Forward* (Jakarta: Bank Muamalat Indonesia, 2012).
- Bank Muamalat Indonesia, *Annual Report 2013: Managing the Challenge of Growth* (Jakarta: Bank Muamalat Indonesia, 2013).
- Bank Syariah Mandiri, *Laporan Tahunan 2012: Greater Ways for Greater Indonesia* (Jakarta: Bank Syariah Mandiri, 2012).
- Bank Syariah Mandiri, *Sustainability Report 2013: Stronger Fundamentals for Greater Indonesia* (Jakarta: Bank Syariah Mandiri, 2013).
- Barbara Killinger, *Integrity: Doing the Right Thing for the Right Reason* (McGill-Queen's Press-MQUP, 2010).
- Bård Kuvaas, "An Exploration of How the Employee-Organization Relationship Affects the Linkage between Perception of Development Human Resource Practices and Employee Outcomes," *Journal of Management Studies* 45, no. 1 (2008), 1-25.;
- Basil S. Georgopoulos and Arnold S. Tannenbaum, "A Study of Organizational Effectiveness," *American Sociological Review* 22, no. 5 (1957), 534-540.
- Bassam Maali, "Financial Accounting and Reporting in Islamic Banks: The Case of Jordan" (Doctoral Thesis, University of Southampton, 2005).
- Bayu Taufiq Possumah, Abdul Ghafar Ismail, and Shahida Shahimi, "Bringing Work Back in Islamic Ethics," *Journal of Business Ethics* 112, no. 2 (January 2013), 257-270.
- BIMB, *Annual Report 2005* (Kuala Lumpur: Bank Islam Malaysia Berhad, 2005).
- BNI Syariah, *Annual Report 2012: Reliable Banking Partner* (Jakarta: BNI Syariah, 2012).
- BPRS Hareukat, *Laporan PT BPRS Hareukat* (Banda Aceh: BPRS Hareukat, 2012).
- BPRS Hikmah Wakilah, *Laporan PT BPRS Hikmah Wakilah* (Banda Aceh: BPRS Hikmah Wakilah, 2012).
- BRI Syariah, *Annual Report 2012: Easy Access Leads the Market* (Jakarta: BRI Syariah, 2012).

- BRI Syariah, *Annual Report 2013: Giving More and Getting Closer* (Jakarta: BRI Syariah, 2013).
- Bruce E. May, R.S.M. Lau, and Stephen Johnson, "A Longitudinal Study of Quality of Work Life and Business Performance. (March 4, 2014). <http://www.highbeam.com/doc/1G1-59285147.html>," *South Dakota Business Review* 58, no. 2 (1999).
- Bruce L Alford and Daniel L Sherrell, "The Role of Affecting Consumer Satisfaction Judgments of Credence-Based Services," *Journal of Business Research* 37, no. 1 (1996), 71-84.
- C. Y. Glock, "On the Study of Religious Commitment," in *Religion's Influence in Contemporary Society, Readings in the Sociology of Religion*, ed. J. E. Faulkner (Ohio, USA: Charles E. Merrill, 1972), 38-56.
- Carl-Erik Särndal, Bengt Swensson, and Jan Wretman, *Model Assisted Survey Sampling*, Springer Series in Statistics (New York: Springer, 2003).
- Celeste P. M. Wilderom and Peter T. van den Berg, *Firm Culture and Leadership as Firm Performance Predictors a Resource-based Perspective* (Tilburg: Tilburg University, 2000).
- Celeste P. M. Wilderom, Ursula Glunk, and R. Maslowski, "Organizational Culture as a Predictor of Organizational Performance.," in *Handbook of Organizational Culture & Climate*, ed. Neal M. Ashkanasy, Celeste Wilderom, and Peterson Mark F. (Thousand Oaks, Calif.: Sage Publications, 2000), 198-199.
- Charles E Michaels and Paul E Spector, "Causes of Employee Turnover: A Test of the Mobley, Griffeth, Hand, and Meglino Model," *Journal of Applied Psychology* 67, no. 1 (1982), 53-59.
- Charles H Schwepker Jr, "Ethical Climate's Relationship to Job Satisfaction, Organizational Commitment, And Turnover Intention in the Salesforce," *Journal of Business Research* 54, no. 1 (2001), 39-52.
- Charles Lusthaus and Marie-Hélène Adrien, "Organizational Assessment: A Review of Experience," *Universalia Occasional Paper*, no. 31 (1998).
- Chen-Fong Wu, "The Relationship of Ethical Decision-Making to Business Ethics and Performance in Taiwan," *Journal of Business Ethics* 35, no. 3 (2002), 163-176.
- Cheri Ostroff, "The Effects of Climate and Personal Influences on Individual Behavior and Attitudes in Organizations," *Organizational Behavior and Human Decision Processes* 56, no. 1 (1993), 56-90.
- Cheri Ostroff, "The Relationship between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis," *Journal of Applied Psychology* 77, no. 6 (1992), 963.

- Cherng G Ding and Chieh-Peng Lin, "Comparing the Effects of Determinants of Turnover Intentions Between Taiwanese and U.S. Hospital Employees," *Human Resource Development Quarterly* 17, no. 4 (2006), 403-421.
- Cheryl Lim and Chua Sin Lay, "Confucianism and the Protestant Work Ethic," *Asia Europe Journal* 1, no. 3 (2003), 321-322.
- Chou-Kang Chiu et al., "Modeling Turnover Intentions and Their Antecedents using the Locus of Control as a Moderator: A Case of Customer Service Employees," *Human Resource Development Quarterly* 16, no. 4 (2005), 481-499.
- Christian Grönroos, "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing," *Management Decision* 32, no. 2 (1994), 4-20.
- Christian Vandenberghe and Michel Tremblay, "The Role of Pay Satisfaction and Organizational Commitment in Turnover Intentions: A Two-Sample Study," *Journal of Business and Psychology* 22, no. 3 (2008), 275-286.
- Christopher H. Lovelock, *Services Marketing* (Englewood Cliffs, New Jersey: Prentice Hall, 1991).
- Christopher Lovelock, *Services Marketing*, 7<sup>th</sup> ed. (New Dheli, India: Pearson Education, 2011).
- Constantine Kontoghiorghes and Nancy Bryant, "Exploring Employee Commitment in a Service Organization in the Health Care Insurance Industry," *Organization Development Journal* 22, no. 3 (2004).
- Corina Gavrea, Liviu Ilieș, and Roxana Stegorean, "Determinants of Organizational Performance: the Case of Romania," *Management & Marketing* 6, no. 2 (2011), 285-300.
- Curtis C. Verschoor, "A Study of the Link between a Corporation's Financial Performance and Its Commitment to Ethics," *Journal of Business Ethics* 17, no. 13 (1998), 1509-1516.
- Damien Joseph et al., "Turnover of Information Technology Professionals: A Narrative Review, Meta-Analytic Structural Equation Modeling, and Model Development," *MIS Quarterly* 31, no. 3 (2007), 547-577.
- Daniel R. Denison and Aneil K. Mishra, "Toward a Theory of Organizational Culture and Effectiveness," *Organization Science* 6, no. 2 (1995), 204-223.
- Danielle S. Beu, M. Ronald Buckley, and Michael G. Harvey, "Ethical Decision Making: A Multidimensional Construct," *Business Ethics: A European Review* 12, no. 1 (January 2003), 88-107.
- Darwish A. Yousef, "Islamic Work Ethic: A Moderator between Organizational Commitment and Job Satisfaction in A Cross-Cultural Context," *Personnel Review* 30, no. 2 (2001), 152-169.

- Darwish A. Yousef, "Organizational Commitment as a Mediator of the Relationship between Islamic Work Ethic and Attitudes toward Organizational Change," *Human Relations* 53, no. 4 (2000), 513-537.
- David A. Aaker, *Strategic Market Management*, 10<sup>th</sup> ed. (John Wiley & Sons, 2013).
- David A. Levin and Sze Yeung, "The Hong Kong Work Ethic," in *Work and Society: Labour and Human Resources in East Asia*, ed. Ian Nish, Gordon Redding, and Ng Sek-hong (Hongkong: Hong Kong University Press, 1996), 332.
- David C. Mohr, Gary J Young, and James F Burgess Jr, "Employee Turnover and Operational Performance: The Moderating Effect of Group-Oriented Organizational Culture," *Human Resource Management Journal* 22, no. 2 (2012), 216-233.
- David G. Allen, Lynn M. Shore, and Rodger W. Griffeth, "The Role of Perceived Organizational Support and Supportive Human Resource Practices in the Turnover Process,," *Journal of Management* 29, no. 1 (2003), 99-118.
- David J. Cherrington, *The Management of Human Resources*, 4th ed. (Englewood Cliff, New Jersey: Prentice-Hall, 1995).
- David J. Cherrington, *The Work Ethic: Working Values and Values That Work* (Amacom Books, 1980).
- Denis F. Polit and Cheryl T. Beck, *Essentials of Nursing Research: Methods, Appraisal, and Utilization*, 3<sup>rd</sup> ed. (Lippincott Williams & Wilkins, 2006).
- Diannah S. Lowry, Alan Simon, and Nell Kimberley, "Toward Improved Employment Relations Practices of Casual Employees in the New South Wales Registered Clubs Industry," *Human Resource Development Quarterly* 13, no. 1 (2002), 53-70.
- Dominic Abrams, Kaori Ando, and Steve Hinkle, "Psychological Attachment to the Group: CrossCultural Differences in Organizational Identification and Subjective Norms as Predictors of Workers' Turnover Intentions," *Personality and Social Psychology Bulletin* 24, no. 10 (1998), 1027-1039.
- Don Dewsnap, *Anyone Can Improve His Or Her Life: The Principles of Quality* (Florida, USA: Booklocker.com Incorporated, 2007).
- Donald P. Moynihan and Sanjay K. Pandey, "Finding Workable Levers Over Work Motivation: Comparing Job Satisfaction, Job Involvement, and Organizational Commitment," *Administration & Society* 39, no. 7 (2007), 803-832.
- Donald R. Cooper and Pamela S. Schindler, *Business Research Methods*, 10<sup>th</sup> ed. (New York: McGraw Hill, 2008).
- Dorothy Noyes, "Humble Theory," *Journal of Folklore Research* 45, no. 1 (2008), 37-43.

- Douglas B. Currrivan, "The Causal Order of Job Satisfaction and Organizational Commitment in Models of Employee Turnover," *Human Resource Management Review* 9, no. 4 (1999), 495-524.
- Douglas P. Crowne and David Marlowe, "A New Scale of Social Desirability Independent of Psychopathology," *Journal of consulting psychology* 24, no. 4 (1960), 349.
- Edwin A. Locke, "The Nature and Causes of Job Satisfaction," in *Handbook of Industrial and Organizational Psychology* ed. Marvin D. Dunette (Chicago, IL: Rand McNally, 1976), 1297-1343.
- Edwin A. Locke, "What is Job Satisfaction?," *Organizational Behavior and Human Performance* 4, no. 4 (1969), 309-336.
- Eric Lambert and Nancy Hogan, "The Importance of Job Satisfaction and Organizational Commitment in Shaping Turnover Intent: A Test of a Causal Model," *Criminal Justice Review* 34, no. 1 (2009), 96-118.
- Ernst & Young, "World Islamic Banking Competitiveness Report 2011-12: A Brave New World of Sustainable Growth" (paper presented at the 18th Annual World Islamic Banking Conference, Bahrain, 2011).
- F.L. Fry and R.J. Hock, "Who Claims Corporate Responsibility? The Biggest and the Worst," *Business and Society Review* 18, no. Winter (1976), 62-65.
- Fajar Rian Fitrianto, "Pengaruh Etos Kerja Islam Terhadap Kinerja Karyawan PT BPRS Buana Mitra Perwira Purbalingga" (Undergraduate Thesis, IAIN Walisongo, Semarang, 2011).
- Fons Trompenaars and Charles Hampden-Turner, *Riding The Waves of Culture: Understanding Cultural Diversity in Business*, 2<sup>nd</sup> ed. (London: Nicholas Brealey, 1997).
- Fouad Al-Omar, *Work Ethics and Public Servants and Control Behavior from an Islamic Perspective*, 1st ed. (Jeddah: Islamic Institute for Research and Training, Islamic Development Bank, 1999).
- Frederick Herzberg, Bernard Mausner, and Barbara B. Snyderman, *The Motivation to Work* (New Jersey: Transaction Publishers, 2011).
- Frederick Mathewson Denny, *An Introduction to Islam*, 2<sup>nd</sup> ed. (Macmillan Publishing Company, 1994).
- Frithjof Schuon, *Islam and the Perennial Philosophy* (London: World of Islam Festival Publishing, 1976).
- Frithjof Schuon, *The Trancedent Unity of Religion* (Wheaton, IL: Theosophical Publishing House, 1984).
- Gale H. Roid and Tom M. Haladyna, *A Technology for Test-Item Writing* (Orlando, FL: Academic Press, 1982).

- Gao-Liang Wang, Yu-Je Lee, and Chuan-Chih Ho, "The Effects of Job Satisfaction, Organizational Commitment and Turnover Intention on Organizational Operating Performance: As Exemplified with Employees of Listed Property Insurance Companies in Taiwan," *Research in Business and Management* 1, no. 83 (2012), 82.
- Graham Upton and Ian Cook, *A Dictionary of Statistics* (New York, NY: Oxford University Press, 2008).
- Greg R. Oldham and Anne Cummings, "Employee Creativity: Personal and Contextual Factors at Work," *Academy of Management journal* 39, no. 3 (1996), 607-634.
- Greg W. Marshall and C. David Shepherd, "Selling and Sales Management in Action: Service Quality and the Sales Force: A Tool for Competitive Advantage," *Journal of Personal Selling & Sales Management* 19, no. 3 (1999), 73-82.
- Guy Paré and Michel Tremblay, "The Influence of High-Involvement Human Resources Practices, Procedural Justice, Organizational Commitment, and Citizenship Behaviors on Information Technology Professionals' Turnover Intentions," *Group & Organization Management* 32, no. 3 (2007), 326-357.
- H. N. Mookherjee, "Effects of Religiosity and Selected Variables on the Perception of Well-Being," *The Journal of Social Psychology*, 134, no. 3 (1993), 403-405.
- HA Prichard, "The Obligation to Keep a Promise," *Moral Writings*, no. 2002), 257-265.
- Hamid Ebadollahi Chanzanagh and Mahdi Akbarnejad, "The Meaning and Dimensions of Islamic Work Ethic: Initial Validation of a Multidimensional IWE in Iranian Society," *Procedia - Social and Behavioral Sciences* 30, no. n/a (2011), 916 – 924.
- Harkiranpal Singh, "The Importance of Customer Satisfaction in Relation to Customer Loyalty and Retention," *Academy of Marketing Science* 60, no. 2006), 193-225.
- Harold E. Arnett, "The Concept of Fairness," *The Accounting Review* 42, no. 2 (1967), 291-297.
- Haron Din, *Islam: Rujukan Efektif Akhlak Mulia* (Kuala Lumpur, Malaysia: PTS Millenia, 2007).
- Henk Thierry and A. M. Koopmann-Iawma, "Motivation and Satisfaction," in *Handbook of Work and Organizational Psychology: Organizational Psychology*, ed. Pieter J.D. Drenth, Henk Thierry, and Charles J. Wolff (Psychology Press, 1998), 131-175.
- Henrik Anderson and PN Jacobsen, "Creating Loyalty: Its Strategic Importance in Your Customer Strategy," in *Customer Relationship Management*, ed. S. A. Brown (Ontario: John Wiley, 2000), 55-67.
- Henry Ongori, "A Review of the Literature on Employee Turnover," *African Journal of Business Management* 1, no. 3 (2007), 49-54.



- Heri Pratikto, "Pengaruh Motivasi Spiritual, Budaya Organisasi, Etos Kerja, Kinerja Profesional terhadap Perilaku Konsumsi (Studi Pada Guru-Guru Mata Pelajaran Ekonomi/Akuntansi SMA/MA/SMK di Wilayah Malang Raya, dengan Pendekatan Metode Mixed)" (Master's Thesis, Universitas Negeri Malang, 2009).
- Hian Chye Koh and Chye Tee Goh, "An Analysis of the Factors Affecting the Turnover Intention of Non-Managerial Clerical Staff: A Singapore Study," *The International Journal of Human Resource Management* 6, no. 1 (1995), 103-125.
- Hoi Yin Yim, Sabry Abd-El-Fattah, and Maria Lee, "A Rasch Analysis of the Teacher Music Confidence Scale," *International Education Journal* 8, no. 2 (2007), 260-269.
- Hossein Khanifar et al., "Identifying the Dimensions and Components of Islamic Work Values (IWW) for Public Services Sector of Iran," *European Journal of Social Sciences* 22, no. 2 (2011), 246-261.
- Hsiu-Yen Hsu, "Organizational Learning Culture's Influence on Job Satisfaction, Organizational Commitment, and Turnover Intention among R&D Professionals in Taiwan during an Economic Downturn" (Doctoral Thesis, University of Michigan, 2009).
- Husein Umar, *Metode Penelitian untuk Skripsi dan Tesis Bisnis* (Jakarta: RajaGrafindo Persada, 2007).
- Ibn Manzur, *Lisan al-'Arab*, , vol. Juzu' 2 (Beirut: Dar Sadir, 1990).
- Ignacio J. Martinez-Moyano, "Exploring the Dynamics of Collaboration in Interorganizational Settings," in *Creating a Culture of Collaboration: The International Association of Facilitators Handbook*, ed. Sandy Schuman (John Wiley & Sons, 2006), 69-86.
- Ikhwan-us-Safa, *Letter of Ikhwan-us-Safa*, trans. John Dowson, vol. 1 (London: Trubner & Co., 1869).
- Irwan Baddu, "Pengaruh Etos Kerja Islami terhadap Karyawan (studi pada karyawan koperasi Baitul Maal Wat Tamwil Masalah Mursalah Lil Ummah Sidogiri Kabupaten Pasuruan" (Undergraduate Thesis, Universitas Brawijaya, Malang, 2007).
- Ismah Osman et al., "Customers Satisfaction in Malaysian Islamic Banking," *International Journal of Economics and Finance* 1, no. 1 (2009), 197-102.
- Isny Choiriyati, "Pengaruh Motivasi Dan Etos Kerja Islam Terhadap Kinerja Karyawan (Studi Kasus Pada Karyawan KJKS BMT Fastabiq Di Pati" (Undergraduate Thesis, IAIN Walisongo, Semarang, 2011).
- J. Martin Bland and Douglas G. Altman, "Statistics Notes: Measurement Error," *Bmj* 312, no. 21 (1996), 1654.
- J. Scott Armstrong, "Illusions in Regression Analysis," *International Journal of Forecasting* 28, no. 3 (2012), 689-694.

- Jack Barbash, "Which Work Ethic?," in *The Work Ethic: A Critical Analysis*, ed. Jack Barbash et al. (Madison, WI: Industrial Relations Research Association, 1983), 231-260.
- Jack J. Baroudi, "The Impact of Role Variables on IS Personnel Work Attitudes and Intentions," *MIS Quarterly* 9, no. 4 (1985), 341-356.
- Jacob Neusner and Bruce Chilton, *Altruism in World Religions* (Georgetown University Press, 2005).
- Jae Yoon Chang, Jin Nam Choi, and Myung Un Kim, "Turnover of Highly Educated R&D Professionals: The Role of Pre-Entry Cognitive Style, Work Values and Career Orientation," *Journal of Occupational and Organizational Psychology* 81, no. 2 (2008), 299-317.
- James Deconinck and Duane Bachmann, "The Impact of Equity Sensitivity and Pay Fairness on Marketing Managers' Job Satisfaction, Organizational Commitment and Turnover Intentions," *Marketing Management Journal* 17, no. 2 (2007), 134-141.
- James E. King and Ian O. Williamson, "Workplace Religious Expression, Religiosity and Job Satisfaction: Clarifying a Relationship," *Journal of management, spirituality & religion* 2, no. 2 (2005), 173-198.
- James L. Price, *The Study of Turnover* (Iowa State University Press Ames, 1977).
- Janet L. Bokemeier and William B. Lacy, "Job Values, Rewards, and Work Conditions as Factors in Job Satisfaction among Men and Women," *The Sociological Quarterly* 28, no. 2 (1987), 189-204.
- Jason Bennett Thatcher et al., "IT Worker Turnover: An Empirical Examination of Intrinsic Motivation," *ACM SIGMIS Database* 37, no. 2-3 (2006), 133-146.
- Jason Bennett Thatcher, Lee P Stepina, and Randall J Boyle, "Turnover of Information Technology Workers: Examining Empirically the Influence of Attitudes, Job Characteristics, and External Markets," *Journal of Management Information Systems* 19, no. 3 (2003), 231-261.
- Jawed Akhtar Mohammed, "Corporate Social Responsibility in Islam" (Unpublished PhD Thesis, Auckland University of Technology, 2007).
- Jawed Akhtar Mohammed, "The Ethical System in Islam – Implications for Business Practices," in *Handbook of the Philosophical Foundations of Business Ethics*, ed. Christoph Luetge (Springer Netherlands, 2013), 873-882.
- Jeffrey K. Sager, Rodger W. Griffeth, and Peter W. Hom, "A Comparison of Structural Models Representing Turnover Cognitions," *Journal of Vocational Behavior* 53, no. 2 (1998), 254-273.
- Jeffrey Pfeffer and Robert I. Sutton, "Evidence-Based Management," *Harvard Business Review* 84, no. 1 (2006), 62.

- Jill L. McKinnon et al., "Organizational Culture: Association with Commitment, Job Satisfaction, Propensity to Remain, and Information Sharing in Taiwan," *International Journal of Business Studies* 11, no. 1 (2003), 25-44.
- Jocelyn J. Johnson and Cherita L. McIntye, "Organizational Culture and Climate Correlates of Job Satisfaction," *Psychological Reports* 82, no. 3 (1998), 843-850.
- John Boatwright and John Slate, "Work Ethic Measurement of Vocational Students in Georgia," *Journal of Vocational Education Research* 25, no. 4 (2000), 503-531.
- John Coldwell, "Characteristics of a Good Customer Satisfaction Survey," in *Customer Relationship Management: Emerging Concepts, Tools, and Applications*, ed. Atul Parvatiyar, and G. Shainesh (New Delhi: Tata McGraw-Hill, 2001), 193-199.
- John E. Mathieu and Dennis M. Zajac, "A Review and Meta-Analysis of the Antecedents, Correlates, and Consequences of Organizational Commitment," *Psychological Bulletin* 108, no. 2 (1990), 171-194.
- John Hulland, "Use of Partial Least Squares (PLS) in Strategic Management Research: a Review of Four Recent Studies," *Strategic Management Journal* 20, no. 2 (1999), 195-204.
- John P. Meyer and Natalie J. Allen, "A Three-Component Conceptualization of Organizational Commitment," *Human Resource Management Review* 1, no. 1 (1991), 61-89.
- John P. Meyer and Natalie J. Allen, "The Measurement and Antecedents of Affective, Continuance and Normative Commitment to the Organization," *Journal of Occupational Psychology* 63, no. 1996, 1-18.
- John P. Meyer and Natalie J. Allen, *Commitment in the Workplace: Theory, Research, and Application* (Thousand Oaks, CA: Sage, 1997).
- John R. Schermerhorn, *Management*, 11 ed. (Hoboken, New Jersey: John Wiley & Sons, 2010).
- Joseph A. Gliem and Rosemary R. Gliem, "Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales" (paper presented at the Midwest Research to Practice Conference in Adult, Continuing, and Community Education, The Ohio State University, Columbus, USA, 2003), 82-88.
- Joseph F. Hair and Rolph E. Anderson, *Multivariate Data Analysis* (Prentice Hall Higher Education, 2010), 785.
- Joseph F. Hair et al, *Multivariate Data Analysis* (Upper Saddle River, N.J.: Prentice Hall, 1998).
- Joseph L. Rodgers and W. Alan Nicewander, "Thirteen Ways to Look at the Correlation Coefficient," *The American Statistician* 42, no. 1 (1988), 59-66.

- Junaidah Hashim, "The Quran-Based Human Resource Management and its Effects on Organisational Justice, Job Satisfaction and Turnover Intention," *The Journal of International Management Studies* 3, no. 2 (2008), 148-159.
- Kamal Naser, Ahmad Jamal, and Khalid Al-Khatib, "Islamic Banking: a Study of Customer Satisfaction and Preferences in Jordan," *International Journal of Bank Marketing* 17, no. 3 (1999), 135-151.
- Kamarul Zaman Ahmad and Raida Abu Bakar, "The Association between Training and Organizational Commitment among White-collar Workers in Malaysia," *International Journal of Training and Development* 7, no. 3 (2003), 166-185.
- Karin Falkenburg and Birgit Schyns, "Work Satisfaction, Organizational Commitment and Withdrawal Behaviours," *Management Research News* 30, no. 10 (2007), 708-723.
- Katherine Dahlsgaard, Christopher Peterson, and Martin EP Seligman, "Shared Virtue: The Convergence of Valued Human Strengths Across Culture and History," *Review of General Psychology* 9, no. 3 (2005), 203.
- Kenneth R. Bartlett, "The Relationship between Training and Organizational Commitment: A Study in the Health Care Field," *Human Resource Development Quarterly* 12, no. 4 (2001), 335-352.
- Keumala Hayati and Indra Caniago, "Islamic Work Ethic: The Role of Intrinsic Motivation, Job Satisfaction, Organizational Commitment and Job Performance," *Procedia - Social and Behavioral Sciences* 65, no. 0 (2012), 272-277.
- Khaled M.K. Alhyasat, "The Role of Islamic Work Ethics in Developing Organizational Citizenship Behavior at the Jordanian Press Foundations," *Journal of Islamic Marketing* 3, no. 2 (2012), 139-154.
- Khurram Khan et al., "Organizational Justice and Job Outcomes: Moderating Role of Islamic Work Ethic," *Journal of Business Ethics*, no. 2013, 1-12.
- Khurram Zafar Awan and Mehwish Akram, "The Relationship Between Islamic Work Ethics and Innovation Capability and Knowledge Sharing Plays Moderation Role," *International Journal of Economics and Management Sciences* 1, no. 8 (2012), 34-48.
- L. W. Anderson, "Attitude Measure," in *The International Encyclopaedia of Education*, ed. T. Husen (Oxford: Pergamon, 1994), 380-339.;
- Larry J. Williams and John T. Hazer, "Antecedents and Consequences of Satisfaction and Commitment in Turnover Models: A Reanalysis using Latent Variable Structural Equation Methods," *Journal of Applied Psychology* 71, no. 2 (1986), 219-231.
- Lawrence A Crosby, Kenneth R Evans, and Deborah Cowles, "Relationship Quality in Services Selling: An Interpersonal Influence Perspective," *Journal of Marketing* 54, no. 3 (1990), 68-81.

- Leonard L. Berry, "The Old Pillars of New Retailing," in *Harvard Business Review on Customer Relationship Management* (Boston, MA: Harvard Business School Publishing Corporation, 2001), 5-7.
- Liz Lee-Kelley, Deborah A. Blackman, and Jeffrey Peter Hurst, "An Exploration of the Relationship between Learning Organizations and the Retention of Knowledge Workers," *The Learning Organization* 14, no. 3 (2007), 204-221.
- Lorraine R. Gay, Geoffrey E. Mills, and Peter W. Airasian, *Education Research: Competencies for Analysis and Applications*, 9<sup>th</sup> ed. (Upper Saddle River, NJ: Pearson Education International, 2009).
- Loy Dean Watley, "Enhancing Moral Intensity: An Informational Model of Ethical Decision Making" (Doctoral Thesis, The University of Nebraska-Lincoln, 2002).
- Luca Errico and Mitra Farahbaksh, "Islamic Banking: Issues in Prudential Regulation and Supervision" (IMF Working Paper, International Monetary Funds (IMF), 1998).
- Lyman W. Porter et al., "Organizational Commitment, Job Satisfaction, and Turnover among Psychiatric Technicians," *Journal of Applied Psychology* 59, no. 5 (1974), 603-609.
- Lynn McFarlane Shore and Harry J. Martin, "Job Satisfaction and Organizational Commitment in Relation to Work Performance and Turnover Intentions," *Human Relations* 42, no. 7 (1989), 625-638.
- M. Abdul Haq Ansari, *The Ethical Philosophy of Miskawaih*, vol. 15, Aligarh Muslim University, Faculty of Arts Publication Series (Utter Pradesh, India: Aligarh Muslim University., 1964), 200.
- M. Mahar, "Unwelcome Legacy: There's Still a Big Unpaid Tab for the S and L Bailout," *Barron's* 72, no. 48 (1992), 16.
- Magid Igbaria and Jeffrey H Greenhaus, "Determinants of MIS Employees' Turnover Intentions: A Structural Equation Model," *Communications of the ACM* 35, no. 2 (1992), 34-49.
- Magid Igbaria and Tor Guimaraes, "Antecedents and Consequences of Job Satisfaction among Information Center Employees," *Journal of Management Information Systems* 9, no. 4 (1993), 145-174.
- Mahmood Khalil and Ismael Abu-Saad, "Islamic Work Ethic among Arab College Students in Israel," *Cross Cultural Management: An International Journal* 16, no. 4 (2009), 333-346.
- Margaret Diddams and J. Lee Whittington, "Book Review Essay: Revisiting the Meaning of Meaningful Work," *Academy of Management Review* 28, no. 3 (2003), 508-512.

- Margaret F. Reid et al., "The Role of Mentoring and Supervisor Support for State IT Employees' Affective Organizational Commitment," *Review of Public Personnel Administration* 28, no. 1 (2008), 60-78.
- Marhanum Che Mohd Salleh, Nurdianawati Irwani Abdullah, and Siti Salwani Razali, "Building Agent-Customer Relationship in the Takaful Industry: A Framework of Islamic Relationship Marketing," *ISRA International Journal of Islamic Finance* 4, no. 1 (2012), 81-97.
- Mark E. McMurtrey et al., "Job Satisfaction of Information Technology Workers: The Impact of Career Orientation and Task Automation in a CASE Environment," *Journal of Management Information Systems* 19, no. 2 (2002), 273-302.
- Mark Goode and Luiz Moutinho, "The Effects of Free Banking on Overall Satisfaction: The Use of Automated Teller Machines," *International Journal of Bank Marketing* 13, no. 4 (1995), 33-40.
- Mark W. Johnston et al., "A Longitudinal Assessment of the Impact of Selected Organizational Influences on Sales People's Organizational Commitment during Early Employment," *Journal of Marketing Research* 27, no. 3 (1990), 333-344.
- Martin Christopher, Adrian Payne, and David Ballantyne, *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, 2<sup>nd</sup> ed. (Oxford: Butterworth-Heinemann, 1991).
- Martin Fishbein and Icek Ajzen, *Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research* (Reading, MA: Addison-Wesley, 1975).
- Mats Alvesson, "Knowledge Work: Ambiguity, Image and Identity," *Human Relations* 54, no. 7 (2001), 863-886.
- Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Charles Scribner's Sons, 1930).
- Maximillian Lewis, "Causal Factors that Influence Turnover Intent in a Manufacturing Organisation" (Master's Thesis, University of Pretoria, 2008).
- Mayya Puji Febriana, "Pengaruh Etos Kerja Islam Terhadap Kinerja Karyawan Pada Bank Pembiayaan Rakyat Syari'ah Artha Mas Abadi Kabupaten Pati" (Undergraduate Thesis, IAIN Walisongo, Semarang, 2009).
- Mehmet Asutay, "The Socio-Ethical Failure in Islamic Banking and Finance" (IIBI Lecturer Series, Institute of Islamic Banking and Insurance, London, October 2011) [www.newhorizon-islamicbanking.com/index.cfm?section=lectures&id=11252&action=view](http://www.newhorizon-islamicbanking.com/index.cfm?section=lectures&id=11252&action=view).
- Melenie J. Lankau and Terri A. Scandura, "An Investigation of Personal Learning in Mentoring Relationships: Content, Antecedents, and Consequences," *The Academy of Management Journal* 45, no. 4 (2002), 779-790.

- Michael K Brady, J Joseph Cronin Jr, and Richard R Brand, "Performance-Only Measurement of Service Quality: A Replication and Extension," *Journal of Business Research* 55, no. 1 (2002), 17-31.
- Michael O'Malley, *Creating Commitment: How to Attract and Retain Talented Employees by Building Relationships That Last* (New York: John Wiley & Sons, 2000).
- Michael Riketta, "Attitudinal Organizational Commitment and Job Performance: A Meta-Analysis," *Journal of Organizational Behavior* 23, no. 3 (2002), 257-266.
- Michàl E Mor Barak, Jan A Nissly, and Amy Levin, "Antecedents to Retention and Turnover among Child Welfare, Social Work, and Other Human Service Employee: What Can We Learn from Past Research? A Review and Meta-Analysis," *Social service review* 75, no. 4 (2001), 625-661.
- Michel Lebas and Kenneth J. Euske, "Conceptual and Operational Delineation of Performance," in *Performance Measurement: Theory and Practice*, ed. Andy Neely (Cambridge: Cambridge University Press, 2007).
- Milton R. Blood, "Work Values and Job Satisfaction," *Journal of Applied Psychology* 53, no. 6 (1969), 456-459.
- Mohamed Zairi, "Managing Customer Satisfaction: A Best Practice Perspective," *The TQM Magazine* 12, no. 6 (2000), 389-394.
- Mohammad Razi, "Pillars of Islam & Islamic Ethics: Relationship between Pillars of Islam & Development of Excellent Moral & Character" (Paper, Toronto, Canada, May 008), 34.
- Mohammad Saeed, Zafar U Ahmed, and Syeda-Masooda Mukhtar, "International Marketing Ethics from an Islamic Perspective: A Value-Maximization Approach," *Journal of Business Ethics* 32, no. 2 (2001), 127-142.
- Mohammed Zaki Kheder, "Islamic Fundamentals in Software Engineering" (paper presented at the International Conference on Information Systems and Islam, Kuala Lumpur, 2001).
- Mohd Adib bin Abd Muin, "The Effect of Islamic Work Ethics on Work Outcomes: A Case Study on Higher Education in State of Kedah" (Masters Thesis, Universiti Utara Malaysia, 2011).
- Mohd Nasir Omar, "Ethics in Islam: A Critical Survey," *Islamiyyat* 32, (2010), 157-171.
- Mohd Zulkifli Muhammad et al., "An Analysis of Islamic Ethics in Small and Medium Enterprises (SMEs)," *UNITAR E-Journal* 4, no. 1 (2008), 46-58.
- Mosad Zineldin, "Total Relationship Management (TRM) and Total Quality Management (TQM)," *Managerial Auditing Journal* 15, no. 1/2 (2000), 20-28.
- Muhammad Abdul-Rauf, *A Muslim's Reflections on Democratic Capitalism* (Washington, D.C.: American Enterprise Institute, 1984).

- Muhammad Adli Musa, "Islamic Business Ethics & Finance: An Exploratory Study of Islamic Banks in Malaysia" (paper presented at the 8th International Conference on Islamic Economics, Doha, Qatar, 2011).
- Muhammad bin A.W. al-'Aqil, *Manhaj 'Aqidah Imam asy-Syafi'i*, trans. Nabhani Idris, and Saefudin Zuhri (Jakarta: Pustaka Imam Asy-Syafi'i).
- Muhammad Fuad Abdullah, "Professionalism: The Islamic Perspective," *Jurutera* -, no. February (2004), 9-11.
- Muhammad Haroon, Hafiz Muhammad Fakhar Zaman, and Waiza Rehman, "The Relationship between Islamic Work Ethics and Job Satisfaction in Healthcare Sector of Pakistan," *International Journal of Contemporary Business Studies* 3, no. 5 (2012), 6-12.
- Muhammad Nejatullah Siddiqi, *Issues in Islamic Banking* (Leicester, UK: The Islamic Foundation, 1983).
- Muhammad Shakil Ahmad, "Work Ethics: An Islamic Prospective," *International Journal of Human Sciences* 8, no. 1 (2011), 850-859.
- Muhammad Umar bin Ajmal and Sana Irfan, "Understanding the Moderating Role of Islamic Work Ethics between Job Stress and Work Outcomes," *IOSR Journal of Business and Management* 16, no. 1 (2014), 62-67.
- Muhammad Yasir Yusuf, "Tanggung Jawab Sosial Korporat pada Institusi Perbankan Islam di Aceh: Analisis Kriteria dan Persepsi" (Doctoral Thesis, Universiti Sains Malaysia, 2012).
- Muhammad Yousuf Khan Marri et al., "Measuring Islamic Work Ethics and its Consequences on Organizational Commitment and Turnover Intention an Empirical Study at Public Sector of Pakistan," *International Journal of Management Sciences and Business Research* 2, no. 2 (2013), 37-49.
- Muhammed Umer Chapra, "Is It Necessary to Have Islamic Economics?" *Journal of Socio-Economics* 29, (2000), 21-37
- Muhammed Umer Chapra, *Islam and the Economic Challenge* (Herndon, VA: International Institute of Islamic Thought, 1992).
- Musa Pinar, Jerry D Rogers, and Donald Baak, "A Comparison of High vs. Low Market Orientation Companies: A Case of Turkey," *Journal of Global Awareness* 4, no. 1 (2003), 89-104.
- N. Craig Smith, "Ethical Guidelines for Marketing Practice: A Reply to Gaski & Some Observations on the Role of Normative Marketing Ethics," *Journal of Business Ethics* 32, no. 1 (2001), 3-18.
- N. Venkatraman and Vasudevan Ramanujam, "Measurement of Business Performance in Strategy Research: A Comparison of Approaches," *The Academy of Management Review* 11, no. 4 (1986), 801-814.



- Nabih Amin Faris, "The Ihya' 'Ulūm al-Dīn of al-Ghazzālī," *Proceedings of the American Philosophical Society* 81, no. 1 (1939), 15-19.
- Nabil A. Saleh, *Unlawful Gain and Legitimate Profit in Islamic Law* (Cambridge, UK: Cambridge University Press, 1986).
- Naghmeh Nancy Moayedi, "Islamic Work Ethic and Muslim Religious Beliefs Impact on Organizational Commitment in the Workplace" (Doctoral Thesis, University of Phoenix, 2009).
- Naresh Kumar and Raduan Che Rose, "Examining the Link between Islamic Work Ethic and Innovation Capability," *Journal of Management Development* 29, no. 1 (2010), 79-93.
- Naresh Kumar and Raduan Che Rose, "The Impact of Knowledge Sharing and Islamic Work Ethic on Innovation Capability," *Cross Cultural Management* 19, no. 2 (2012), 142-165.
- Natalie J. Allen and John P. Meyer, "A Three-Component Conceptualization of Organization Commitment," *Human Resource Management Review* 1, no. 1 (1991), 61-98.
- Natalie J. Allen and John P. Meyer, "Affective, Continuance, and Normative Commitment to the Organization: An Examination of Construct Validity," *Journal of Vocational Behavior* 49, no. 3 (1996), 252-276.
- Niall Ferguson, "Economics, Religion and the Decline of Europe," *Economic Affairs* 24, no. 4 (2004), 37-40.
- Nik Mohamed Affandi bin Nik Yusoff, *Islam and Business* (Selangor, Malaysia: Pelanduk Publications, 2002).
- Nik Mustaqim Abd Rahman and Ismail Upawi, "Pendidikan Holistik dalam Menangani Permasalahan dalam Isu Pengurusan: Menghadapi Cabaran Abad-21," in *Seminar Ekonomi dan Manajemen Indonesia-Malaysia* (Banda Aceh: Universitas Syiah Kuala, Aceh, 1993).
- Nik Mu'tasim Ab. Rahman, Nordin Muhamad, and Abdullah Sanusi Othman, "The Relationship Between Islamic Work Ethics and Organizational Commitment: A Case Analysis," *Malaysian Management Review* 41, no. 1 (2008), 79-89.
- Nor 'Azzah Kamri, "Application of Akhlaq Education in Implementing Code of Ethics in an Organization: an Empirical Case," *Jurnal Usuluddin*, no. 29 (2009), 171-185.
- Nor 'Azzah Kamri, "Implementation of Islamic Ethics in Organizations: Malaysian Experiences" (paper presented at the International Conferences on Humanities, Historical and Social Sciences (CHHSS), Singapore, 2010).
- Nor 'Azzah Kamri, "Pelaksanaan Kod Etika Islam di Institusi Pembangunan berteraskan Islam: Kajian Kes di Lembaga Tabung Haji Malaysia" (Doctoral Thesis, Universiti Sains Malaysia, Penang, Malaysia, 2007).

- Nor Nazliyah Binti Zainol, "Islamic Work Ethics, Organizational Culture and Organizational Commitment: A Study of Employees at Majlis Amanah Rakyat" (Master's Thesis, Universiti Utara Malaysia, 2009).
- Norazit Selat, "Adat Melayu: Kesenambungan dan Perubahan " in *Adat Melayu Serumpun* (Kuala Lumpur: Universiti Malaya Press, 2001).
- Norizah Mohd Mustamil, "The Influence of Culture and Ethical Ideology on Ethical Decision Making Process of Malaysian Managers" (Doctoral Thesis, Curtin University of Technology, 2010).
- Norshidah Mohamed, Nor Shahriza Abdul Karim, and Ramlah Hussein, "Linking Islamic Work Ethic to Computer Use Ethics, Satisfaction, Organizational Commitment in Malaysia," *Journal of Business Systems, Governance and Ethics* 5, no. 1 (2010), 13-23.
- Nur Kholis, "Etika Kerja dalam Perspektif Islam," *Journal Al-Mawarid* XI, (2004), 142-157.
- Omer Farooq et al., "The Impact of Corporate Social Responsibility on Organizational Commitment: Exploring Multiple Mediation Mechanisms," *Journal of Business Ethics*, (2013), 1-18.
- Osman Ayub, *Etika Kerja & Profesionalisme Islam* (Kuala Lumpur: Frontier Enterprise, 1989).
- Othman Mohd. Yunus et al., "Work Ethic of Malaysian Civil Servants" (paper presented at the 2nd International Conference on Business and Economic Research (ICBER), Langkawi, Kedah, 2011).
- Ove C. Hansemark and Marie Albinsson, "Customer Satisfaction and Retention: The Experiences of Individual Employees," *Managing Service Quality* 14, no. 1 (2004), 40-57.
- Oxford Dictionaries, *Relationship* (Oxford, United Kingdom: Oxford University Press, 2014).
- Pascale Carayon et al., "Evaluating Causes and Consequences of Turnover Intention Among IT Workers: The Development of a Questionnaire Survey," *Behaviour & Information Technology* 25, no. 5 (2006), 381-397.
- Patricia Cain Smith, Lorne M. Kendall, and Charles L. Hulin, *The Measurement of Satisfaction in Work and Retirement: a Strategy for the Study of Attitudes*, Rand McNally Psychology Series (Chicago: Rand McNally, 1969).
- Paul E. Green and Donald S. Tull, *Research for Marketing Decisions*, 2<sup>nd</sup> ed. (Prentice-Hall, 1970).
- Paul E. Spector, "Measurement of Human Service Staff Satisfaction: Development of the Job Satisfaction Survey," *American Journal of Community Psychology* 13, (1985), 693-713.

- Paul E. Spector, *Job Satisfaction: Application, Assessment, Causes, and Consequences* (Thousand Oaks, CA: Sage, 1997).
- Paul Osterman, "Work/Family Programs and the Employment Relationship," *Administrative Science Quarterly* 40, no. 4 (1995), 681-700.
- Paul W. Farris et al., *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*, 2nd ed. (Upper Saddle River, New Jersey: Pearson Education, 2010).
- Paula C. Morrow and Rosemary E. Wirth, "Work Commitment among Salaried Professionals," *Journal of Vocational Behavior* 34, no. 1 (1989), 40-56.
- Peter Doyle, "Setting Business Objectives and Measuring Performance," *European Management Journal* 12, no. 2 (1994), 123-132.
- Peter P.M. Janssen, Jan de Jonge, and Arnold B. Bakker, "Specific Determinants of Intrinsic Work Motivation, Burnout and Turnover Intentions: A Study among Nurses," *Journal of Advanced Nursing* 29, no. 6 (1999), 1360-1369.
- Peter W. Hom and Rodger W. Griffeth, "Structural Equations Modeling Test of a Turnover Theory: Cross-sectional and Longitudinal Analyses," *Journal of Applied Psychology* 76, no. 3 (1991), 350-366.
- Philip Kotler and Gary Armstrong, *Principles of Marketing*, 13<sup>th</sup> ed. (Prentice Hall, 2009).
- Philip Kotler, *Marketing Management*, 10<sup>th</sup> ed. (New Jersey: Prentice-Hall, 1999).
- Phillip Monypenny, "A Code of Ethics as a Means of Controlling Administrative Conduct," *Public Administration Review* 13, no. 3 (Summer 1953), 184-187.
- Priscilla A. LaBarbera and David Mazursky, "A Longitudinal Assessment of Consumer Satisfaction/Dissatisfaction: the Dynamic Aspect of Cognitive Process," *Journal of Marketing Research*, (1983), 393-404.
- Qiang Tu, Bhanu Ragunathan, and T. S. Ragunathan, "A Path Analytic Study of the Antecedents of Organizational Commitment of IS Managers," *Information Resources Management Journal (IRMJ)* 14, no. 3 (2001), 27-36.
- R.A. Buchholz and S.B. Rosenthal, "The Spirit of Entrepreneurship and the Qualities of Moral Decision Making: Toward A Unifying Framework," *Journal of Business Ethics* 3, no. 60 (2005), 307-315.
- Rafik Issa Beekun, *Islamic Business Ethics* (Herndon, Virginia: International Institute of Islamic Thought; Amana Pubns, 1997).
- Rahaib Zafar et al., "Religiosity as Determinant of Turnover Intention: An Exploratory Study," *Journal of Commerce* 4, no. 4 (2012), 1-8.
- Rana Zamin Abbas et al., "Managerial Ethics in Islamic Framework," *International Journal of Business and Social Science* 3, no. 7 (April 2012), 101-115.

- Ranida B Harris, Kenneth J Harris, and Paul Harvey, "An Examination of The Impact of Supervisor on the Relationship between Job Strains and Turnover Intention for Computer Workers," *Journal of Applied Social Psychology* 38, no. 8 (2008), 2108-2131.
- Richard A. Muller, *Dictionary of Latin and Greek Theological Terms: Drawn Principally from Protestant Scholastic Theology* (Michigan, USA: Baker Publishing Group, 1996).
- Richard C. Reizenstein, "Customer Satisfaction Research," in *Encyclopedia of Health Care Management*, ed. Michael J. Stahl (Thousand Oaks, CA: SAGE Publications, Inc, 2004), 122-123.
- Richard L. Oliver, *Satisfaction: A Behavioral Perspective on the Consumer* (ME Sharpe, 2010).
- Richard Paul and Linda Elder, *The Thinker's Guide to Understanding the Foundations of Ethical Reasoning* (Tomaes, CA: The Foundation for Critical Thinking Press, 2009).
- Richard T. Mowday, "Reflections on the Study and Relevance of Organizational Commitment," *Human Resource Management Review* 8, no. 4 (1998), 387-401.
- Ricky Y. Chan, Louis T. Cheng, and Ricky W. Szeto, "The Dynamics of Guanxi and Ethics for Chinese Executives," *Journal of Business Ethics* 41, no. 4 (2002), 327-336.
- Riham Ragab Rizk, "Back to Basics: an Islamic Perspective on Business and Work Ethics," *Social Responsibility Journal* 1, no. 2 (2008), 246-254.
- Robert Audi, ed. *The Cambridge Dictionary of Philosophy*, 2<sup>nd</sup> ed. (Cambridge, UK: Cambridge University Press, 1999).
- Robert East, *Consumer Behaviour: Advances and Applications in Marketing*, 356 vols. (London: Prentice Hall, 1997).
- Robert Hoppock, *Job Satisfaction* (New York: Harper & Brothers Publishers, 1935).
- Robert P. Steel and Nestor K. Ovalle, "A Review and Meta-Analysis of Research on the Relationship Between Behavioral Intentions and Employee Turnover," *Journal of Applied Psychology* 69, no. 4 (1984), 673.
- Robert P. Tett and John P. Meyer, "Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta-Analytic Findings," *Personnel Psychology* 46, no. 2 (1993), 259-293.
- Robert P. Weber, *Basic Content Analysis* (Newbury Park, CA: Sage Publications, 1990).
- Robert S. Kaplan and David P. Norton, "Putting the Balanced Scorecard to Work," *Harvard Business Review* 71, no. 5 (1993), 134-142.

- Robert T. Keller, Scott D. Julian, and Ben L. Kedia, "A Multinational Study of Work Climate, Job Satisfaction, and the Productivity of R&D Teams," *IEEE Transactions on Engineering Management* 43, no. 1 (1996), 48-55.
- Robin S. Dillon, "Respect," in *The Stanford Encyclopedia of Philosophy*, ed. Edward N. Zalta (Stanford: The Metaphysics Research Lab, Stanford University, 2014).
- Rodger W. Griffeth, Peter W. Hom, and Stefan Gaertner, "A Meta-Analysis of Antecedents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implications for the Next Millennium," *Journal of Management Development* 26, no. 3 (2000), 463-488.
- Rodney Wilson, "Islamic Banking and its Impact on the International Financial Scene," *Journal of International Banking Law* 10, no. 10 (1995), 437-445.
- Ronald Duska and James J. Clarke, "Ethical Issues in Financial Services," in *The Blackwell Guide to Business Ethics*, ed. Norman E. Bowie (New Jersey: Blackwell Publishing, 2001).
- Rosabeth Moss Kanter and Derick Brinkerhoff, "Organizational Performance: Recent Developments in Measurement," *Annual Review of Sociology* 7, (1981), 321-349.
- Roy Sablosky, "Does Religion Foster Generosity?," *The Social Science Journal* (2014), 1-11.
- Ruqaiyyah Waris Maqsood, *Teach Yourself Islam* (London: Hodder & Stoughton, 2003).
- Rusniyati Binti Mahiyaddin, "Hubungan Etika Kerja Islam dengan Komitmen Organisasi: Kajian Dikalangan Kakitangan Lembaga Urusan Tabung Haji" (Master's Thesis, Universiti Utara Malaysia, 2009).
- S. G. A. Smeenk et al., "The Effects of HRM Practices and Antecedents on Organizational Commitment among University Employees," *The International Journal of Human Resource Management* 17, no. 12 (2006), 2035-2054.
- Sabahuddin Azmi, "An Islamic Approach to Business Ethics," *Renaissance: A Monthly Islamic Journal* 15, no. 5 (May 2005), retrieved on 20 October 2012, <http://www.monthly-renaissance.com/issue/content.aspx?id=169>.
- Sabitha Marican, *Kaedah Penyelidikan Sains Sosial* (Kuala Lumpur, Malaysia: Pearson Prentice Hall, 2005).
- Sabitha Marican, *Penyelidikan Sains Sosial: Pendekatan Pragmatik* (Batu Caves, Selangor: Edusystem Sdn Bhd, 2006).
- Sami M. Abbasi and Kenneth W. Hollman, "Turnover: the Real Bottom Line," *Public Personnel Management* 29, no. 3 (2000), 333-342.
- Samih Mahmoud Al-Karasneh and Ali Mohammad Jubran Saleh, "Islamic Perspective of Creativity: A Model for Teachers of Social Studies as Leaders," *Procedia - Social and Behavioral Sciences* 2, no. 2 (2010), 412-426.

- Samir Ahmad Abuznaid, "Business Ethics in Islam: the Glaring Gap in Practice," *International Journal of Islamic and Middle Eastern Finance and Management* 2, no. 4 (2009), 278-288.
- Sandra L. Burud and Marie Tumolo, *Leveraging the New Human Capital Adaptive Strategies, Results Achieved, and Stories of Transformation* (Palo Alto, CA: Davies-Black Pub., 2004).
- Sanghamitra Goswami, Mary Mathew, and N. K. Chadha, "Differences in Occupational Commitment amongst Scientists in Indian Defence, Academic, and Commercial R&D Organizations," *Vikalpa: The Journal for Decision Makers* 32, no. 4 (2007), 13-27.
- Sang-Wook Kim et al., "The Determinants of Career Intent Among Physicians at a U.S. Air Force Hospital," *Human Relations* 49, no. 7 (1996), 947-976.
- Sara A. Morris, "Internal Effects of Stakeholder Management Devices," *Journal of Business Ethics* 16, no. 4 (1997), 413-424.
- Sean A. Way, "High Performance Work Systems and Intermediate Indicators of Firm Performance within the US Small Business Sector," *Journal of Management* 28, no. 6 (2002), 765-785.
- Selcuk Uygur, "Investigating the Influence of Religion Over the Work Ethic Values of Turkish SME Owner-Managers" (paper presented at the BBS Doctoral Symposium, London, United Kingdom, 23-24 March 2009), 1-11.
- Seyyed Hossein Nasr, "Islamic Work Ethic," *Hamdard Islamicus* 7, no. 4 (1984), 25-35.
- Sharifah Hayaati Ismail al-Qudsy, "Values and Ethics Towards Quality Public Delivery System of Malaysia: an Islamic Perspective," *Jurnal Syariah* 15, no. 2 (2007), 25-43.
- Sharifah Hayaati Syed Ismail and Nor Azzah Kamri, "Pengurusan Aduan Menurut Perspektif Islam," in *Teras Pengurusan Islam*, ed. Siti Arni Basir (Shah Alam: INMIND (Institut Pemikiran Minda), 2012).
- Sharifah Hayaati Syed Ismail and Siti Arni Basir, "Efektif Governan berteraskan Etika Kerja Islam di Malaysia" (paper presented at the Seminar Efektif Governan Menurut Perspektif Islam Peringkat Kebangsaan, Universiti Malaya, Kuala Lumpur, 2002), 5.
- Sheridan J. Coakes and Clara Ong, *SPSS Version 18.0 for Windows: Analysis Without Anguish* (John Wiley & Sons, 2011).
- Shoshana Zuboff, "The Work Ethic and Work Organization," in *The Work Ethic: A Critical Analysis*, ed. Jack Barbash et al. (Madison, WI: Industrial Relations Research Association, 1983), 153-181.
- Shukri Ahmad and Musa Yusuf Owoyemi, "The Concept of Islamic Work Ethic: An Analysis of Some Salient Points in the Prophetic Tradition," *International Journal of Business and Social Science* 3, no. 20 (Special Issue – October 2012), 116-123.

- Shukri Ahmad, "The Salient Characteristics of the Concept of Work Ethic in the Prophetic Tradition," *Jurnal Pembangunan Sosial*, 81-102.
- Simon Wolfe, "Regulation and Supervision of Islamic Banks" (IDB Working Paper, Islamic Development Bank, Jeddah, Saudi Arabia, 2000).
- Stanley E. Seashore and Ephraim Yuchtman, "Factorial Analysis of Organizational Performance," *Administrative Science Quarterly* 12, no. 3 (1967), 377-395.
- Stephanie D. Kendall, "Customer Service from the Customer's Perspective," in *Customer Service Delivery: Research and Best Practices*, ed. Lawrence Fogli, *The J-B SIOP Professional Practice Series* (San Francisco, CA: John Wiley and Sons, 2007), 3.
- Stephen Cavanagh, "Content Analysis: Concepts, Methods and Applications," *Nurse Researcher* 4, no. 3 (1997), 5-16.
- Steve Lovett, Lee C. Simmons, and Raja Kali, "Guanxi versus the Market: Ethics and Efficiency," *Journal of International Business Studies* 30, no. 2 (1999), 231-248.
- Steven E. Clayman, "The Production of Punctuality: Social Interaction, Temporal Organization, and Social Structure," *American Journal of Sociology*, no. 1989, 659-691.
- Steven Hokanson, "The Deeper You Analyse, the More You Satisfy Customers," *Marketing News* 29, no. 1 (1995), 16.
- Steven Malanga, "Whatever Happened to the Work Ethics?," *City Journal* 19, no. 3 (2009), retrieved on 19 December 2012, [http://www.city-journal.org/2009/19\\_3\\_work-ethic.html](http://www.city-journal.org/2009/19_3_work-ethic.html).
- Steven W. Schmidt, "The Relationship between Satisfaction with Workplace Training and Overall Job Satisfaction," *Human Resource Development Quarterly* 18, no. 4 (2007), 481-498.
- Suharsimi Arikunto, *Dasar-Dasar Evaluasi Pendidikan* (Jakarta: Bumi Aksara, 2008).
- Sutono and Fuad Ali Budiman, "Pengaruh Kepemimpinan dan Etos Kerja Islami terhadap Kinerja Karyawan di Koperasi Jasa Keuangan Syari'ah Baitul Maal Wat Tamwil di Kecamatan Rembang," *Analisis Manajemen* 4, no. 1 (2009), 11-28.
- Syed Muhammad Naquib al-Attas, *Islam and Secularism* (Kuala Lumpur: International Institute of Islamic Thoughts and Civilization, 1978).
- Syed Nawab Haider Naqvi, *Ethics and Economics: An Islamic Synthesis* (Leicester, UK: Islamic Foundation, 1981).
- Syukuriah Idrus et al., "Islamic Work Ethics (IWE) towards the Organizational Commitment" (paper presented at the IEEE Colloquium on Humanities, Science, and Engineering Research, Penang, Malaysia, 5-6 December 2011), 402-406.
- Taher Al-Ghalebi, Mohsen Al-Ameri, and Saleh Mahdi, *Social Responsibility, Work Ethics and Society*, 3<sup>rd</sup> ed. (Amman: Wael Publishing House, 2009).

- Tariq Ramadan, "The Challenges and Future of Applied Islamic Ethics Discourse: A Radical Reform?," *Theoretical Medicine and Bioethics* 34, no. 2 (2013), 105-115.
- Terence R. Mitchell et al., "Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover," *The Academy of Management Journal* 44, no. 6 (2001), 1102-1121.
- Therese L. Baker, *Doing Social Research* (McGraw-Hill Book Company, 1999).
- Thomas A. DeCotiis and Timothy P. Summers, "A Path Analysis of a Model of the Antecedents and Consequences of Organizational Commitment," *Human Relations* 40, no. 7 (1987), 445-470.
- Thomas R. Wotruba, "A Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations," *The Journal of Personal Selling and Sales Management* 10, no. 2 (1990), 29-42.
- Thomas W. Lee and Richard T. Mowday, "Voluntarily Leaving an Organization: An Empirical Investigation of Steers and Mowday's Model of Turnover," *The Academy of Management Journal* 30, no. 4 (1987), 721-743.
- Titus Oshagbemi, "Academics and Their Managers: a Comparative Study in Job Satisfaction," *Personnel Review* 28, no. 1/2 (1999), 108-123.
- Toby Marshall Egan, Baiyin Yang, and Kenneth R Bartlett, "The Effects of Organizational Learning Culture and Job Satisfaction on Motivation to Transfer Learning and Turnover Intention," *Human Resource Development Quarterly* 15, no. 3 (2004), 279-301.
- Tser-Yieth Chen, Pao-Long Chang, and Ching-Wen Yeh, "A Study of Career Needs, Career Development Programs, Job Satisfaction and the Turnover Intentions of R&D Personnel," *Career Development International* 9, no. 4 (2004), 424 - 437.
- Uma Sekaran, *Research Methods for Business: A Skill Buiding Approach*, 4<sup>th</sup> ed. (New York: John Wiley & Sons Inc, 2003).
- Umar Faruq Abd-Allah, "Innovation and Creativity in Islam," *Artikkel, Nawawi Foundation*, (2006).
- Ursula Glunk and Celeste P. M. Wilderom, *Organizational Effectiveness= Corporate Performance? Why and How Two Research Traditions Need to be Merged* (Tilburg: Faculty of Economics and Business Administration, Tilburg University, 1996).
- Valarie A. Zeithaml, "How Consumer Evaluation Processes Differ between Goods and Services," in *Marketing of services*, ed. J. Donnelly, and W George (Chicago, IL: American Marketing Association, 1981), 25-32.
- Valarie A. Zeithaml, Leonard L. Berry, and A. Parasuraman, "Communication and Control Processes in the Delivery of Service Quality," *Journal of Marketing* 52, no. 2 (Apr. 1988), 35-48.



- Valarie A. Zeithaml, Mary Jo Bitner, and Dwayne D. Gremler, *Services Marketing: Integrating Customer Focus Across the Firm* (Boston: McGraw-Hill/Irwin, 2006).
- Vida Scarpello and John P. Campbell, "Job Satisfaction: Are All the Parts There?," *Personnel Psychology* 36, no. 3 (September 1983), 577–600.
- Wahibur Rokhman, "The Effect of Islamic Work Ethics on Work Outcomes," *Electronic Journal of Business Ethics and Organization Studies* 15, no. 1 (2010), 21-27.
- Walter R. Borg and Meredith D. Gall, *Educational Research: An Introduction*, 3<sup>rd</sup> ed. (New York: Longman, 1979).
- Wan Norhasniah Wan Husin, "Work Ethics from the Islamic Perspective in Malaysia," *European Journal of Social Sciences* 29, no. 1 (2012), 51-60.
- Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 5th ed. (Mason, Ohio: South-Western Cengage Learning, 2008).
- William H. Mobley, "Intermediate Linkages in the Relationship between Job Satisfaction and Employee Turnover," *Journal of Applied Psychology* 62, no. 2 (1977), 237.
- William H. Mobley, *Employee Turnover, Causes, Consequences, and Control* (Reading, MA: Addison-Wesley, 1982).
- William H. Shaw, *Business Ethics*, 3<sup>rd</sup> ed. (California, USA: Wadsworth Publishing Co, 1999).
- Willian G. Zikmund, *Business Research Methods* (Fort Worth, TX: Dryden Press, 2000).
- Xiao-Ping Chen et al., "Group Citizenship Behavior: Conceptualization and Preliminary Tests of its Antecedents and Consequences," *Management and Organization Review* 1, no. 2 (2005), 273-300.
- Yadong Luo, *Guanxi and Business* (Singapore: World Scientific Publishing, 2007).
- Yehouda Shenhav, Sigal Alon, and Wesley Shrum, "'Goodness' Concepts in the Study of Organizations: A Longitudinal Survey of Four Leading Journals," *Organization Studies Organization Studies* 15, no. 5 (1994), 753-776.
- Yūsuf al-Qaraḍāwī, *Dawr al-Qiyam wa al-Akhlāq fī al-Iqtisād al-Islāmī* (Cairo: Maktabat Wahbah, 1995).
- Zhen Xiong Chen and Anne Marie Francesco, "Employee Demography, Organizational Commitment, and Turnover Intentions in China: Do Cultural Differences Matter?," *Human Relations* 53, no. 6 (2000), 869-887.
- Zulkifli Hasan, "Corporate Governance in Islamic Financial Institutions: An Ethical Perspective," *Prime Journals of Business Administration and Management* 2, no. 1 (2012), 405-411.

## Websites:

- "Aceh Province," website *Badan Pusat Statistik Indonesia*, 2012, retrieved on 20 November 2012, <http://sp2010.bps.go.id/index.php/site?id=11&wilayah=Aceh>.
- "Benefits of Competitive Markets," website *Tutor2u.net*, 2014, retrieved on 20 July 2014, [http://www.tutor2u.net/economics/content/topics/competition/competition\\_importance.htm](http://www.tutor2u.net/economics/content/topics/competition/competition_importance.htm).
- "Consistency," website *Oxford Dictionaries*, retrieved on 26 January 2013, <http://www.oxforddictionaries.com/definition/english/consistency>
- "Cooperation," website *Business Dictionary*, retrieved on 25 August 2014, <http://www.businessdictionary.com/definition/cooperation.html#ixzz3BGUzeaX7>.
- "Corruption Perception Index 2011," website *Transparency International*, retrieved on 25 January 2013, <http://www.transparency.org/cpi2011/results>.
- "Corruption Perception Index 2012," website *Transparency International*, retrieved on 26 January 2013, <http://cpi.transparency.org/cpi2012/results/>.
- "Ethics," website *Internet Encyclopedia of Philosophy*, retrieved on 26 August 2014, <http://www.iep.utm.edu/ethics/#SH3a>.
- "FATF Public Statement 2012," website *FATF*, retrieved on 16 February 2012, [http://www.fatf-gafi.org/document/18/0,3746,en\\_32250379\\_32236992\\_49694738\\_1\\_1\\_1\\_1,00.html](http://www.fatf-gafi.org/document/18/0,3746,en_32250379_32236992_49694738_1_1_1_1,00.html).
- "Fungsi dan Tugas," website *KPK (Komisi Pemberantasan Korupsi)*, retrieved on 27 June 2012, <http://www.kpk.go.id/id/tentang-kpk/fungsi-dan-tugas>.
- "Independent Samples t Test," website *Kent State University*, 27 October 2014, retrieved on 28 October 2014, <http://libguides.library.kent.edu/SPSS/IndependentTTest>.
- "Islamic Banking: What is Islamic Banking?," website *Institute of Islamic Banking and Insurance*, retrieved on 2 February 2013, [http://www.islamic-banking.com/what\\_is\\_ibanking.aspx](http://www.islamic-banking.com/what_is_ibanking.aspx).
- "Modesty (part 1 of 3): An Overview," website *Islam Religion*, retrieved on 27 January 2013, [http://www.islamreligion.com/articles/21/#\\_ftn9669](http://www.islamreligion.com/articles/21/#_ftn9669)
- "One-way ANOVA in SPSS," website *Laerd Statistics* 2013, retrieved on 28 October 2014, <https://statistics.laerd.com/spss-tutorials/one-way-anova-using-spss-statistics.php>.
- "Provinsi Nanggroe Aceh Darussalam," website *Kementerian Dalam Negeri Republik Indonesia*, 2012, retrieved on 20 November 2012, <http://www.depdagri.go.id/pages/profil-daerah/provinsi/detail/11/nanggroe-aceh-darussalam>.
- "Quality," website *Merriam-Webster Learner's Dictionary*, retrieved on 14 June 2013, [http://www.learnersdictionary.com/search/quality\[1\]](http://www.learnersdictionary.com/search/quality[1]).
- "Righteousness," website *The Free Dictionary*, retrieved on 26 January 2013, <http://www.thefreedictionary.com/righteousness>

- "Survey and Methodology," website *Central Statistic Office*, 2014, retrieved on 11 March 2014, <http://www.cso.ie/en/surveysandmethodology/classifications/whatisaclassification/>.
- "The Concept of Work in Islam," website *Turn to Islam*, retrieved on 7 February 2013, <http://www.turntoislam.com/forum/showthread.php?t=66190>.
- "The Future of the Global Muslim Population: Projections for 2010-2030," website *Pew Research Forum*, retrieved on 21 September 2012, <http://www.pewforum.org/The-Future-of-the-Global-Muslim-Population.aspx>.
- "What is a 1-Way ANOVA?," website *Statistics Help For Students*, 2008, retrieved on 1 November 2014, [http://statistics-help-for-students.com/What\\_is\\_a\\_1\\_Way\\_ANOVA.htm](http://statistics-help-for-students.com/What_is_a_1_Way_ANOVA.htm).
- "What is a Customer Service Advisor? Roles and Responsibilities of a Customer Service Advisor," website *Customer Service Manager*, 2010, retrieved on 14 February 2013 <http://www.customerservicemanager.com/customer-service-advisor.htm>.
- A.L.M. Abdul-Gafoor, "Historical Development," website *Islamic Banking*, retrieved on 2 February 2013, <http://users.bart.nl/~abdul/chap4.html#4.1>.
- Abdul-Rahman al-Sheha, "Equality in Islam," (2012), website *Investigate Islam*, retrieved on 14 February 2013, <http://investigateislam.com/?p=1592#more-1592>.
- Ainur Rahman, "Menghapus Nila Setitik di Bank Syariah," website *Majalah Stabilitas*, 15 November 2011, retrieved on 6 April 2012, [http://www.stabilitas.co.id/view\\_articles.php?article\\_id=231&article\\_type=0&article\\_category=2](http://www.stabilitas.co.id/view_articles.php?article_id=231&article_type=0&article_category=2).
- Bank Muamalat Indonesia, "Hubungan Investor: Laporan Tahunan," website *Bank Muamalat Indonesia*, retrieved on 17 December 2013, [http://www.muamalatbank.com/home/investor/annual\\_report](http://www.muamalatbank.com/home/investor/annual_report).
- Bank Muamalat Indonesia, "Tentang Muamalat: Profil Muamalat," website *Bank Muamalat Indonesia*, retrieved on 17 November 2013, <http://www.muamalatbank.com/home/about/profile>.
- BNI Syariah, "Awards," website *BNI Syariah*, retrieved on 17 December 2013, <http://www.bnisyariah.co.id/en/awards>.
- BPRS Hareukat, "Laporan Keuangan Publikasi Bank Pembiayaan Rakyat Syariah," website *Bank Indonesia*, 2013, retrieved on 15 December 2013, <http://www.bi.go.id/id/publikasi/laporan-keuangan/bank/bpr-syariah/Default.aspx>.
- BPRS Hikwah Wakilah, "Laporan Keuangan Publikasi Bank Pembiayaan Rakyat Syariah," website *Bank Indonesia*, 2013, retrieved on 15 December 2013, <http://www.bi.go.id/id/publikasi/laporan-keuangan/bank/bpr-syariah/Default.aspx>.
- BRI Syariah, "Awards," website *BRI Syariah*, retrieved on 14 November 2013, [www.brisyariah.co.id/?q=awards](http://www.brisyariah.co.id/?q=awards).
- Ghulam Sarwar, "Economic System of Islam," website *Angelfire*, retrieved on 14 June 2013, <http://www.angelfire.com/bc3/johnsonuk/eng/dawa/economic.html>.

- Infobanknews, "BSM Kuasai 35% Aset Perbankan Syariah," website *Info Bank News*, 18 October 2013, retrieved on 10 November 2013, <http://www.infobanknews.com/2013/10/bsm-kuasai-35-aset-perbankan-syariah/>.
- Lena Le, "Fundamental of Research: Sampling Technique," website *University of Idaho*, retrieved on 20 October 2012, [www.cnr.uidaho.edu/css506/506\\_Notes/Sampling](http://www.cnr.uidaho.edu/css506/506_Notes/Sampling).
- M. Velasquez et al., "What is Ethics," website *Santa Clara University*, 1987, retrieved on 20 January 2013, <http://www.scu.edu/ethics/practicing/decision/whatisethics.html>.
- Margaret Rouse, "Data Classification," website *Search Data Management*, May 2007, retrieved on 11 March 2014, <http://searchdatamanagement.techtarget.com/definition/data-classification>.
- P. K. Abdul Ghafour, "Islamic Banking Grows 10 to 15% Annually: IF Chairman," website *Khalifah Institute*, 23 April 2012, retrieved on 5 November 2012, [http://islamic-world.net/index.php?option=com\\_content&view=article&id=1939:islamic-banking-grows-10-to-15-annually-if-chairman&catid=34:islamic-economy&Itemid=66](http://islamic-world.net/index.php?option=com_content&view=article&id=1939:islamic-banking-grows-10-to-15-annually-if-chairman&catid=34:islamic-economy&Itemid=66).
- Richard T. De George, "A History of Business Ethics," website *Markkula Center for Applied Ethics, Santa Clara University*, 2005, retrieved on 16 March 2012, <http://www.scu.edu/ethics/practicing/focusareas/business/conference/presentations/business-ethics-history.html#eleven>.
- Salih Ibrahim al-Sani, "Measuring the 'Religiosity' of Muslims," website *Islam Today*, 07 August 2010, retrieved on 11 June 2013, <http://en.islamtoday.net/artshow-416-3704.htm>.
- "Ethic," website *Ethics Score Board*, retrieved on 28 January 2013, [http://www.ethicsscoreboard.com/rb\\_definitions.html](http://www.ethicsscoreboard.com/rb_definitions.html).
- "Self-reliance," website *Answer.com*, retrieved on 29 January 2013, <http://www.answers.com/topic/self-reliance>.
- "Competition," website *Merriam-Webster*, retrieved on 13 June 2013, <http://www.merriam-webster.com/dictionary/competition>.
- "Ethics," website *Business Dictionary*, retrieved on 27 January 2013, <http://www.businessdictionary.com/definition/ethics.html#ixzz2JLaYiGqL>.
- "Collectivity," website *Your Dictionary*, retrieved on 14 April 2013, <http://www.yourdictionary.com/collectivity>.
- "Friendship," website *The Free Dictionary*, retrieved on 20 July 2014, <http://www.thefreedictionary.com/friendship>.
- "Ethic," website *Merriam-Webster*, retrieved on 29 January 2013, <http://www.merriam-webster.com/dictionary/ethic>.
- "Ethics," website *Dictionary.com*, retrieved on 29 January 2013, <http://dictionary.reference.com/browse/ethics>.

- "Faith," website *Merriam-Webster*, retrieved on 29 January 2013, [www.merriam-webster.com/dictionary/faith](http://www.merriam-webster.com/dictionary/faith)
- "Persist," website *Answer.com*, retrieved on 29 January 2013, <http://www.answers.com/topic/persist>
- "Effort," website *Dictionary.com*, retrieved on 12 June 2013, <http://dictionary.reference.com/browse/effort>.
- "Effort," website *The Free Dictionary*, retrieved on 13 June 2013, <http://www.thefreedictionary.com/effort>.
- "Equality," website *Merriam-Webster*, retrieved on 14 June 2013, <http://www.merriam-webster.com/dictionary/equality>.
- "Integrity," website *The Free Dictionary*, retrieved July 22 2014 from <http://www.thefreedictionary.com/integrity>
- "Sincere," website *Merriam-Webster*, retrieved on 22 July 2014, <http://www.merriam-webster.com/dictionary/sincere>.
- "Kinship," website *Merriam-Webster*, retrieved on 23 August 2014, <http://www.merriam-webster.com/dictionary/kinship>.
- "Kindness," website *Brainy Quotes*, retrieved on 25 August 2014, <http://www.brainyquote.com/words/ki/kindness182475.html>.
- "Hard-working," website *Oxford Dictionaries*, retrieved on 26 January 2013, <http://www.oxforddictionaries.com/definition/english/hard-working>
- "Benefit," website *The Free Dictionary*, 2003, retrieved on 11 March 2014 <http://www.thefreedictionary.com/benefit>.
- "Obligation," website *The Free Dictionary*, retrieved on 14 June 2013, <http://www.thefreedictionary.com/obligation>.
- "Consultation," website *Business Dictionary*, retrieved on 25 August 2014, <http://www.businessdictionary.com/definition/consultation.html>.
- Bank Aceh, "Awards," website *Bank Aceh*, retrieved on 15 December 2013, [http://www.bankaceh.co.id/?page\\_id=242](http://www.bankaceh.co.id/?page_id=242).
- "Ethics," website *Collins Dictionary*, retrieved on 29 January 2013 <http://www.collinsdictionary.com/dictionary/english/ethics>.
- "Intention," website *Merriam-Webster*, retrieved on 29 January 2013, <http://www.merriam-webster.com/dictionary/intention>
- "Transparency," website *Investopedia*, retrieved on 29 January 2013, <http://www.investopedia.com/terms/t/transparency.asp>

## **Acts and Regulations**

Undang-undang Republik Indonesia No. 44 tahun 1999 tentang Penyelenggaraan Keistimewaan Propinsi Daerah Istimewa Aceh [Indonesian Act No. 44/1999 on the “Special Status of Aceh Province”]

Undang-undang Republik Indonesia No. 15 tahun 2002 dan perubahannya No. 8 tahun 2010 tentang Tindak Pidana Pencucian Uang [Indonesian Act No. 15/2002 and its addendum No. 8/2010 on the “Criminal Action against Money Laundering”]

Undang-undang Republik Indonesia No. 30 tahun 2002 tentang Komisi Pemberantasan Tindak Pidana Korupsi [Indonesian Act No. 30/2002 on the “Corruption Eradication Commission”]

Undang-undang Republik Indonesia No. 11 tahun 2006 tentang Pemerintahan Aceh [Indonesian Act No. 11/2006 on the “Government of Aceh”]

Undang-undang Republik Indonesia No. 21 tahun 2008 tentang Perbankan Syariah [Indonesian Act No. 20/2008 on the “Islamic Banking”]

Peraturan Bank Indonesia (PBI) No. 3/10/PBI/2001 tentang Penerapan Prinsip Mengenal Nasabah [Bank Indonesia’ Regulation No. No. 3/10/PBI/2001 on the “Implementation of Know You Customer Principles (KYCP)”]

# **APPENDICES**

## Appendix 1: Questionnaire for Employee (English Version)



### QUESTIONNAIRE SURVEY FOR EMPLOYEES



#### PHD ACADEMIC RESEARCH

### THE INFLUENCE OF ISLAMIC WORK ETHICS ON ORGANIZATIONAL PERFORMANCE AT THE ISLAMIC BANKING INSTITUTIONS IN ACEH

For researcher use only:

Number	Date	Time	Bank	Respondent



Assalamu'alaikum Wr.Wb

Dear Sir/ Madam,

The researcher is currently conducting a research regarding the topic as stated on the cover. This research aims to study the influence of Islamic Work Ethics (IWE) towards organizational performance. Particularly, it examines the job satisfaction, organizational commitment, turnover intention, and customer satisfaction and their correlation to IWE. Above all, this study is intended to be able to provide valuable recommendations or guidelines for the improvement of Islamic Banking Institutions (IBIs) efficiently and effectively.

To achieve the purpose, your cooperation and participation is highly expected. Please provide **honest** and **sincere** feedback based on the statements in the questionnaire below. All of the information obtained in this survey will only be used for academic purposes. It will be kept **strictly confidential** and **anonymous** in which no individual's responses can be identified. Please kindly spend about 10 – 15 minutes to fill in the questionnaire.

I would like to take this opportunity to thank everyone who is participating in this survey. May Allah reward you in the hereafter. In case you need more details information, please do not hesitate to contact me at the address below.

Wassalamu'alaikum Wr. Wb.

**Azharsyah Ibrahim**

PhD Candidate

Dept. of Shariah and Management

Academy of Islamic Studies

University of Malaya

[azharsyah@gmail.com](mailto:azharsyah@gmail.com)

+6281360089010 (Indonesia)

+60105235596 (Malaysia)

## A. DEMOGRAPHIC INFORMATION

This part describes your basic personal information. Please fill in the form correctly and honestly. Kindly mark your choice by circling in the appropriate box/number.

### 1. Gender:

1	Male
2	Female

### 2. Age group:

1	16 – 20 years old	4	41 – 50 years old
2	21 – 30 years old	5	51 – 60 years old
3	31 – 40 years old	6	61 years old and above

### 3. Religion:

1	Muslim
2	Christian
3	Buddhist
4	Hindu
5	Others, please specify _____

### 4. Place of origin:

1	Kota Banda Aceh	13	Aceh Barat
2	Aceh Besar	14	Nagan Raya
3	Pidie	15	Aceh Barat Daya
4	Pidie Jaya	16	Aceh Selatan
5	Bireuen	17	Aceh Singkil
6	Kota Lhokseumawe	18	Simeulu
7	Aceh Utara	19	Gayo Lues
8	Aceh Tengah	20	Bener Meriah
9	Aceh Timur	21	Aceh Tenggara
10	Kota Langsa	22	Kota Subulussalam
11	Aceh Tamiang	23	Kota Sabang
12	Aceh Jaya	24	Others, please specify _____

### 5. Ethnic of origin:

1	Aceh	5	Simeulue
2	Gayo	6	Kluet
3	Alas	7	Tamiang
4	Jamee	8	Others, please specify: _____

### 6. Marital status:

1	Not Married
2	Married
3	Widow/Widower

### 7. Highest level of education:

1	High school and below
2	Diploma
3	Undergraduate
4	Masters
5	Doctorate

**8. How long you have worked for this bank?**

1	Less than 2 years
2	2 – 4 years
3	4,1 – 6 years
4	6,1– 8 years
5	8,1 – 10 years
6	More than 10 years

**9. What is your current position level in this bank?**

1	Top Level Management (e.g. Board of Directors or equivalent)
2	Middle Level Management (e.g. Regional Head or equivalent)
3	Upper-Middle Level Management (e.g. Divisional Head or equivalent)
4	Lower-Middle Level Management (e.g.: Sectional Head or equivalent)
5	First Level Management (e.g. Sub-branch manager or equivalent)
6	Others, please specify: _____

**10. Your monthly income:**

1	Less than IDR 2 Million
2	IDR 2.1 Million to 4 Million
3	IDR 4.1 Million to 6 Million
4	IDR 6.1 Million to 8 Million
5	IDR 8.1 Million to 10 Million
6	Above IDR 10 Million

**11. How did you receive religious knowledge? (multiple answer)**

1	Formal education (MIN, MTsN, MAN, IAIN, Modern <i>pesantren</i> , etc)
2	Non-formal education (traditional <i>pesantren</i> , etc)
3	Mass media (internet, newspaper, magazine, TV, etc)
4	Book/ <i>Kitab</i>
5	Others, please specify: _____

## B. ISLAMIC WORK ETHICS

The Islamic Work Ethics statements below describe your personal feelings toward your job at the Islamic bank. Please read each statement carefully, and then circle on the appropriate scale that you think is the most suitable answer: (1) Strongly Disagree, (2) Disagree, (3) Somewhat Disagree, (4) Somewhat Agree, (5) Agree, or (6) Strongly Agree		Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
<b>I</b>	<b>Religiousness</b>						
1	I perform my worship regularly.	1	2	3	4	5	6
2	I work for the Islamic bank because its products have met shariah compliance.	1	2	3	4	5	6
3	I am certain that my salary is halal because the Islamic bank avoids earning riba.	1	2	3	4	5	6
4	I have adequate knowledge about Islamic banking.	1	2	3	4	5	6
5	Work should not be only derived from its output, but also from its accompanying intention.	1	2	3	4	5	6
6	For me, work is a form of worshipping God.	1	2	3	4	5	6
<b>II</b>	<b>Effort</b>						
7	In working, I always strive for the best result.	1	2	3	4	5	6
8	I avoid laziness in working.	1	2	3	4	5	6
9	I work to the best of my ability.	1	2	3	4	5	6
10	I cope with patience all work constraints.	1	2	3	4	5	6
11	To me, work constraints are part of work itself.	1	2	3	4	5	6
12	Progress on the job can be obtained through self-reliance.	1	2	3	4	5	6
13	I constantly work hard to meet my responsibilities.	1	2	3	4	5	6
<b>III</b>	<b>Competition</b>						
14	I believe competition is able to improve quality of work.	1	2	3	4	5	6
15	Competition among Islamic banking is fair .	1	2	3	4	5	6
16	Internal competition at the bank where I work for justifies any means.	1	2	3	4	5	6
<b>IV</b>	<b>Work Obligation</b>						
17	I will do my best to fulfill contract with customers.	1	2	3	4	5	6
18	I strive to always be honest in working.	1	2	3	4	5	6
19	I will not leak my company's secret to other parties.	1	2	3	4	5	6
20	I have never come late to work without prior permission.	1	2	3	4	5	6
21	I make every effort to finish job on time.	1	2	3	4	5	6
22	I work sincerely	1	2	3	4	5	6
23	I have the integrity to refuse to compromise on matters of principle.	1	2	3	4	5	6
24	I conduct every financial transaction transparently.	1	2	3	4	5	6
25	I will not be comfortable if ordered to sell riba (unlawful) products.	1	2	3	4	5	6
<b>V</b>	<b>Quality</b>						
26	I work carefully.	1	2	3	4	5	6
27	To me, creative work is a source of happiness and accomplishment.	1	2	3	4	5	6
28	For me, training will always be desirable to be more professional.	1	2	3	4	5	6
29	Carelessness is contra-productive for work.	1	2	3	4	5	6

		Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
<b>VI</b>	<b>Collectivity</b>						
30	For me, a collective success is more important than personal success.	1	2	3	4	5	6
31	I am willing to help colleagues to solve work problems.	1	2	3	4	5	6
32	To me, cooperation is a virtue in work.	1	2	3	4	5	6
33	Teamwork can stimulate the collectivity.	1	2	3	4	5	6
34	I put emphasis on a good relationship with my colleagues.	1	2	3	4	5	6
35	To finish a job, I will consult my colleagues or supervisor if necessary.	1	2	3	4	5	6
<b>VII</b>	<b>Equality</b>						
36	I respect each customer regardless of his/her social background.	1	2	3	4	5	6
37	I treat all customers fairly regardless of their social background.	1	2	3	4	5	6
38	My workplace treats all employees fairly.	1	2	3	4	5	6
39	I regard humility in work as a virtue.	1	2	3	4	5	6
<b>VIII</b>	<b>Benefit</b>						
40	One should consider community affairs in his/her work.	1	2	3	4	5	6
41	I do good work to benefit both myself and society.	1	2	3	4	5	6
42	Producing more than enough enables me to contribute to the prosperity of society (e.g. via sort forms of charity: zakah, infaq, sadaqah, etc).	1	2	3	4	5	6
43	Work is a method to increase my social relationship.	1	2	3	4	5	6
44	To me, life has no meaning without work.	1	2	3	4	5	6
45	For me, work is not an end in itself but a means to foster my personal growth.	1	2	3	4	5	6
46	Working is a more likely way for me to get ahead in life.	1	2	3	4	5	6
47	Work gives me the chance to be independent.	1	2	3	4	5	6

### C. JOB SATISFACTION

		Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
	The statements in this section describe your level satisfactory in regard to your job at the Islamic bank. Please read each statement carefully, and then circle on the appropriate scale that you think is the most suitable answer: (1) Strongly Disagree, (2) Disagree, (3) Somewhat Disagree, (4) Somewhat Agree, (5) Agree, or (6) Strongly Agree						
1	I feel I am being compensated fairly for the work I do.	1	2	3	4	5	6
2	Those who do well on the job stand a fair chance of being promoted.	1	2	3	4	5	6
3	My supervisor is not a good role model to be followed at work.	1	2	3	4	5	6
4	One of the benefits working for an Islamic bank is obtaining income from halal source.	1	2	3	4	5	6
5	When I do a good job, I receive the recognition for it that I should receive.	1	2	3	4	5	6
6	Our rules and procedures conform to shariah regulations.	1	2	3	4	5	6
7	I am satisfied with the support from my co-workers.	1	2	3	4	5	6
8	I do not feel any sense of pride in doing my job at Islamic bank.	1	2	3	4	5	6
9	I am satisfied with communications within this bank.	1	2	3	4	5	6

**D. ORGANIZATIONAL COMMITMENT**

The statements below are aimed to measure your level of commitment to your current employer (Islamic bank). Please read each statement carefully, and then circle on the appropriate scale that you think is the most suitable answer: (1) Strongly Disagree, (2) Disagree, (3) Somewhat Disagree, (4) Somewhat Agree, (5) Agree, or (6) Strongly Agree		Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
1	I would be very happy to spend the rest of my career with my current organization.	1	2	3	4	5	6
2	I enjoy discussing my organization with outsiders.	1	2	3	4	5	6
3	I feel like part of the family at my organization.	1	2	3	4	5	6
4	Too much in my life would be disrupted if I decided I wanted to leave this organization now.	1	2	3	4	5	6
5	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.	1	2	3	4	5	6
6	Right now, staying with my organization is a matter of necessity as much as desire.	1	2	3	4	5	6
7	One of the major reasons that I continue working for this organization is that I believe that loyalty is important and thus I feel a sense of moral obligation to remain here.	1	2	3	4	5	6
8	If I got another offer for a better job elsewhere I would not feel it was right to leave my organization.	1	2	3	4	5	6
9	I believe that a person must always be loyal to his/her organization.	1	2	3	4	5	6

**E. TURNOVER INTENTION**

The statements in this section are intended to measure the level of your intention of staying with or leaving from your current Islamic bank. Please read each statement carefully, and then circle on the appropriate scale that you think is the most suitable answer: (1) Strongly Disagree, (2) Disagree, (3) Somewhat Disagree, (4) Somewhat Agree, (5) Agree, or (6) Strongly Agree		Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
1	If I can find a better job, I will leave this bank.	1	2	3	4	5	6
2	I often think about quitting my current job.	1	2	3	4	5	6
3	I almost always follow up on job leads with other employers that I hear about.	1	2	3	4	5	6
4	I rarely seek out information about job opportunities with other employers.	1	2	3	4	5	6
5	I plan to stay with my present employer as long as possible.	1	2	3	4	5	6
6	Under no circumstances will I voluntarily leave my present employer.	1	2	3	4	5	6

**End of Questionnaire – Thank You**

## Appendix 2: Questionnaire for Employees (Bahasa Indonesia Version)



### KUESIONER UNTUK KARYAWAN



### PENELITIAN UNTUK DISERTASI S-3

### PENGARUH ETIKA KERJA ISLAM TERHADAP KINERJA ORGANISASI PADA INSTITUSI PERBANKAN SYARIAH DI ACEH

Untuk kepentingan peneliti saja:

Nomor	Tanggal	Waktu	Bank	Responden

Assalamu'alaikum Wr.Wb

Bapak/Ibu Yang Terhormat,

Saya saat ini sedang melakukan sebuah penelitian untuk disertasi S-3 dengan judul seperti yang tertera pada halaman depan. Penelitian ini dimaksudkan untuk menguji pengaruh etika kerja Islam terhadap kinerja organisasi dalam hal ini perbankan syariah di Aceh. Adapun komponen-komponen yang akan diuji adalah kepuasan kerja, komitmen organisasi, keinginan berhenti, dan kepuasan pelanggan. Sebagai tujuan akhir, penelitian ini diharapkan mampu menghasilkan suatu panduan bagi perbankan syariah dalam menerapkan etika kerja Islam demi kemajuan institusi perbankan syariah di masa yang akan datang.

Untuk tercapainya maksud tersebut, partisipasi dan kerjasama anda sangat diharapkan. Silakan isi kuesioner ini secara **jujur** dan **benar**. Jawaban anda akan sepenuhnya **dirahasiakan**. Tidak seorang pun kecuali saya akan memiliki akses terhadap informasi yang anda berikan. Semua informasi yang didapat dari survey ini hanya akan digunakan untuk kepentingan akademik. Untuk mengisi kuesioner ini diperlukan waktu antara 10 – 15 menit saja.

Sebelumnya, saya ingin mengucapkan ribuan terima kasih atas partisipasi anda semua dalam survei ini. Semoga Allah membalas kebaikan anda kelak. Jika anda memerlukan informasi lebih lanjut, silakan menghubungi saya pada alamat yang tertera di bawah ini.

Wassalamu'alaikum Wr. Wb.

Hormat saya,

**Azharsyah Ibrahim**  
Kandidat Doktor  
Jurusan Syariah dan Manajemen  
Academy of Islamic Studies  
University of Malaya  
[azharsyah@gmail.com](mailto:azharsyah@gmail.com)  
+6281360089010 (Indonesia)  
+60105235596 (Malaysia)



## A. INFORMASI DEMOGRAFI

Bagian ini merupakan deskripsi informasi pribadi anda. Isilah pertanyaan di bawah ini dengan jujur dan benar. Silakan lingkari nomor yang paling sesuai dalam kotak/nomor yang tersedia.

### 1. Jenis Kelamin:

1	Laki-laki
2	Perempuan

### 2. Kelompok Umur:

1	16 – 20 tahun	4	41 – 50 tahun
2	21 – 30 tahun	5	51 – 60 tahun
3	31 – 40 tahun	6	61 tahun atau lebih

### 3. Agama:

1	Islam
2	Kristen
3	Buddha
4	Hindu
5	Lainnya, harap sebutkan_____

### 4. Daerah Asal:

1	Kota Banda Aceh	13	Aceh Barat
2	Aceh Besar	14	Nagan Raya
3	Pidie	15	Aceh Barat Daya
4	Pidie Jaya	16	Aceh Selatan
5	Bireuen	17	Aceh Singkil
6	Kota Lhokseumawe	18	Simeulu
7	Aceh Utara	19	Gayo Lues
8	Aceh Tengah	20	Bener Meriah
9	Aceh Timur	21	Aceh Tenggara
10	Kota Langsa	22	Kota Subulussalam
11	Aceh Tamiang	23	Kota Sabang
12	Aceh Jaya	24	Lainnya, harap sebutkan_____

### 5. Etnik/Suku:

1	Aceh	5	Simeulue
2	Gayo	6	Kluet
3	Alas	7	Tamiang
4	Jamee	8	Lainnya, harap sebutkan_____

### 6. Status Perkawinan:

1	Belum Menikah
2	Menikah
3	Janda/Duda

### 7. Level Pendidikan Tertinggi:

1	SMA ke bawah
2	Diploma
3	Sarjana
4	Magister
5	Doktor

**8. Sudah berapa lama anda bekerja di bank ini?**

1	Kurang dari 2 tahun
2	2 – 4 tahun
3	4 – 6 tahun
4	6 – 8 tahun
5	8 – 10 tahun
6	Lebih dari 10 tahun

**9. Apa level posisi/jabatan anda sekarang?**

1	Top Level Management (cth: Dewan Direktur, Senior Management)
2	Middle Level Management (cth: Kepala Cabang atau yang setingkat)
3	Upper-Middle Level Management (cth: Kepala Bagian atau yang setingkat)
4	Lower-Middle Level Management (cth: Kepala Seksi atau yang setingkat)
5	First Level Management (cth: Kepala Cabang Pembantu atau yang setingkat)
6	Lainnya, harap sebutkan _____

**10. Pendapatan bulanan anda (gaji + pendapatan lainnya):**

1	Kurang dari Rp 2 juta
2	Rp 2,1 Juta sampai 4 Juta
3	Rp 4,1 Juta sampai 6 Juta
4	Rp 6,1 Juta sampai 8 Juta
5	Rp 8,1 Juta sampai 10 Juta
6	Di atas Rp10 Juta

**11. Bagaimana anda memperoleh pengetahuan agama? (jawaban boleh lebih dari satu)**

1	Pendidikan formal (MIN, MTsN, MAN, IAIN termasuk pesantren modern)
2	Pendidikan non formal (dayah tradisional, pengajian di kampung, dsb)
3	Media massa (cth: internet, koran, majalah, TV, dsb)
4	Buku/Kitab
5	Lainnya, harap sebutkan _____

## B. ETIKA KERJA ISLAM

Pernyataan tentang Etika Kerja Islam berikut mendeskripsikan perasaan anda terhadap pekerjaan anda sekarang di bank syariah. Silakan baca setiap pernyataan berikut secara cermat, dan lingkarilah skala yang anda anggap paling sesuai, dengan kriteria sebagai berikut: (1) Sangat Tidak Setuju, (2) Tidak Setuju, (3) Cenderung Tidak Setuju, (4) Cenderung Setuju, (5) Setuju, atau (6) Sangat Setuju		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
<b>I</b>	<b>Keagamaan</b>						
1	Saya melaksanakan kewajiban agama secara reguler.	1	2	3	4	5	6
2	Saya bekerja di bank syariah karena produk-produk yang ditawarkan sudah sesuai dengan prinsip syariah.	1	2	3	4	5	6
3	Saya yakin gaji saya halal karena bank syariah menghindari riba.	1	2	3	4	5	6
4	Saya mempunyai pengetahuan yang memadai tentang seluk beluk bank syariah.	1	2	3	4	5	6
5	Pekerjaan seharusnya tidak hanya dilihat dari hasilnya saja, tapi juga dari niat yang menyertainya.	1	2	3	4	5	6
6	Bagi saya, bekerja adalah salah satu bentuk ibadah kepada Allah s.w.t	1	2	3	4	5	6
<b>II</b>	<b>Usaha</b>						
7	Dalam bekerja, saya selalu berusaha untuk mencapai hasil terbaik.	1	2	3	4	5	6
8	Saya menghindari bermalas-malasan dalam bekerja.	1	2	3	4	5	6
9	Saya bekerja dengan kemampuan terbaik saya.	1	2	3	4	5	6
10	Saya menghadapi kesukaran bekerja dengan sabar.	1	2	3	4	5	6
11	Bagi saya, kesukaran dalam bekerja merupakan bagian dari kerja itu sendiri.	1	2	3	4	5	6
12	Keberhasilan kerja dapat dicapai dengan kemampuan sendiri.	1	2	3	4	5	6
13	Saya bekerja keras secara konsisten sesuai tanggung jawab saya.	1	2	3	4	5	6
<b>III</b>	<b>Persaingan</b>						
14	Saya yakin, persaingan dapat meningkatkan kualitas kerja.	1	2	3	4	5	6
15	Persaingan di antara perbankan syariah berjalan dengan sehat	1	2	3	4	5	6
16	Persaingan di internal bank tempat saya bekerja menghalalkan segala cara.	1	2	3	4	5	6
<b>IV</b>	<b>Kewajiban Kerja</b>						
17	Saya melakukan yang terbaik untuk memenuhi tuntutan akad dengan nasabah.	1	2	3	4	5	6
18	Saya selalu berusaha jujur dalam bekerja.	1	2	3	4	5	6
19	Saya tidak membocorkan rahasia bank ke pihak lain.	1	2	3	4	5	6
20	Saya tidak pernah datang terlambat ke tempat kerja tanpa izin.	1	2	3	4	5	6
21	Saya berusaha menyelesaikan tugas tepat waktu.	1	2	3	4	5	6
22	Saya menerima keadaan kerja dengan ikhlas.	1	2	3	4	5	6
23	Saya memiliki integritas untuk menolak berkompromi pada hal-hal yang prinsipil.	1	2	3	4	5	6
24	Saya melakukan transaksi keuangan secara transparan.	1	2	3	4	5	6
25	Saya akan merasa tidak nyaman jika diharuskan menjual produk riba (haram).	1	2	3	4	5	6

		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
<b>V</b>	<b>Kualitas</b>						
26	Saya bekerja dengan hati-hati.	1	2	3	4	5	6
27	Bagi saya, kerja kreatif merupakan sumber kebahagiaan dan keberhasilan.	1	2	3	4	5	6
28	Bagi saya, pelatihan selalu diperlukan untuk dapat terus bekerja secara profesional.	1	2	3	4	5	6
29	Kecerobohan dalam bekerja merupakan hal tidak produktif.	1	2	3	4	5	6
<b>VI</b>	<b>Kolektivitas</b>						
30	Bagi saya, keberhasilan bersama lebih berharga dari keberhasilan personal.	1	2	3	4	5	6
31	Dalam bekerja, saya bersedia membantu rekan kerja dalam menyelesaikan masalah.	1	2	3	4	5	6
32	Bagi saya, kerjasama di tempat kerja merupakan suatu kebaikan.	1	2	3	4	5	6
33	Kerja dalam tim dapat menumbuhkan sifat kebersamaan.	1	2	3	4	5	6
34	Bagi saya, hubungan baik dengan rekan kerja itu penting.	1	2	3	4	5	6
35	Dalam menyelesaikan suatu pekerjaan, saya akan bertukar pikiran dengan rekan kerja atau atasan jika perlu.	1	2	3	4	5	6
<b>VII</b>	<b>Kesamaan</b>						
36	Saya menghormati setiap nasabah tanpa memandang latar belakang sosial mereka.	1	2	3	4	5	6
37	Saya memperlakukan semua nasabah secara adil tanpa memandang latar belakang sosial mereka.	1	2	3	4	5	6
38	Saya bekerja di bank syariah karena adanya rasanya keadilan.	1	2	3	4	5	6
39	Saya beranggapan bahwa kerendahan hati dalam bekerja sebagai sebuah kebaikan.	1	2	3	4	5	6
<b>VIII</b>	<b>Keuntungan</b>						
40	Seseorang harus mempertimbangkan masalah sosial kemasyarakatan dalam bekerja.	1	2	3	4	5	6
41	Saya bekerja dengan baik agar bermanfaat bagi diri saya sendiri maupun masyarakat.	1	2	3	4	5	6
42	Memiliki penghasilan besar memudahkan saya untuk memberi kontribusi bagi kemakmuran masyarakat (cth: melalui zakat, infak dan sedekah).	1	2	3	4	5	6
43	Bekerja merupakan salah satu sarana meningkatkan hubungan sosial.	1	2	3	4	5	6
44	Bagi saya, hidup ini tidak mempunyai arti tanpa bekerja.	1	2	3	4	5	6
45	Bagi saya, bekerja merupakan sarana membantu perkembangan pribadi saya.	1	2	3	4	5	6
46	Dengan bekerja, saya lebih dapat mencapai kemajuan dalam kehidupan.	1	2	3	4	5	6
47	Kerja memberikan saya kesempatan untuk mandiri.	1	2	3	4	5	6

### C. KEPUASAN KERJA

Pernyataan di bawah ini mendeskripsikan tingkat kepuasan anda terhadap pekerjaan dan bank syariah tempat anda bekerja. Bacalah setiap pernyataan berikut secara cermat, dan lingkariilah skala yang anda anggap paling sesuai, dengan kriteria sebagai berikut: (1) Sangat Tidak Setuju, (2) Tidak Setuju, (3) Cenderung Tidak Setuju, (4) Cenderung Setuju, (5) Setuju, atau (6) Sangat Setuju		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
1	Saya merasa telah mendapatkan kompensasi yang sesuai dengan hasil kerja saya.	1	2	3	4	5	6
2	Peluang untuk promosi terbuka lebar bagi siapa saja yang bekerja dengan baik.	1	2	3	4	5	6
3	Atasan saya tidak dapat dijadikan panutan dalam bekerja.	1	2	3	4	5	6
4	Salah satu keuntungan bekerja di bank syariah adalah mendapat penghasilan dari sumber yang halal.	1	2	3	4	5	6
5	Ketika saya bekerja dengan baik, saya menerima penghargaan yang pantas.	1	2	3	4	5	6
6	Aturan dan suasana kerja di bank ini berjalan sesuai syariah.	1	2	3	4	5	6
7	Saya puas dengan dukungan rekan kerja.	1	2	3	4	5	6
8	Saya tidak merasa bangga terhadap pekerjaan saya di bank syariah.	1	2	3	4	5	6
9	Saya puas dengan komunikasi yang terjalin dalam bank ini.	1	2	3	4	5	6

### D. KOMITMEN ORGANISASI

Pernyataan berikut bertujuan untuk mengukur level komitmen anda terhadap bank syariah di mana anda bekerja sekarang. Bacalah setiap pernyataan berikut secara cermat, dan lingkariilah skala yang anda anggap paling sesuai, dengan kriteria sebagai berikut: (1) Sangat Tidak Setuju, (2) Tidak Setuju, (3) Cenderung Tidak Setuju, (4) Cenderung Setuju, (5) Setuju, atau (6) Sangat Setuju		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
1	Saya ingin menghabiskan sisa karier saya di bank ini.	1	2	3	4	5	6
2	Saya bangga membicarakan bank ini dengan orang luar.	1	2	3	4	5	6
3	Saya merasa seperti bagian dari keluarga di bank ini.	1	2	3	4	5	6
4	Banyak hal yang akan terganggu jika saya memutuskan untuk keluar dari bank ini sekarang.	1	2	3	4	5	6
5	Salah satu masalah serius jika saya berhenti dari bank ini adalah terbatasnya pilihan pekerjaan lain yang tersedia.	1	2	3	4	5	6
6	Saat ini, terus bekerja di bank ini lebih kepada suatu keperluan berbanding keinginan.	1	2	3	4	5	6
7	Salah satu alasan utama saya untuk terus bekerja di bank ini adalah karena keyakinan saya terhadap pentingnya loyalitas; sehingga saya merasa bahwa bertahan di bank ini merupakan suatu kewajiban moral.	1	2	3	4	5	6
8	Walaupun saya memperoleh tawaran kerja yang lebih baik di tempat lain, saya tetap merasa bahwa itu bukan alasan yang tepat untuk meninggalkan bank ini.	1	2	3	4	5	6
9	Saya yakin bahwa seseorang itu harus selalu loyal kepada tempat di mana dia bekerja.	1	2	3	4	5	6

**E. KEINGINAN BERHENTI**

Pernyataan di bagian ini bermaksud untuk mengukur seberapa besar keinginan anda untuk terus bekerja atau berhenti dari pekerjaan anda sekarang di bank syariah ini. Bacalah setiap pernyataan berikut secara cermat, dan lingkarilah skala yang anda anggap paling sesuai, dengan kriteria sebagai berikut: (1) Sangat Tidak Setuju, (2) Tidak Setuju, (3) Cenderung Tidak Setuju, (4) Cenderung Setuju, (5) Setuju, atau (6) Sangat Setuju		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
1	Jika saya mendapatkan pekerjaan yang lebih baik, saya akan keluar dari bank ini.	1	2	3	4	5	6
2	Saya sering berpikir untuk berhenti dari pekerjaan saya sekarang.	1	2	3	4	5	6
3	Saya hampir selalu mengikuti informasi pekerjaan di perusahaan lain yang saya dengar.	1	2	3	4	5	6
4	Saya jarang mencari informasi tentang peluang kerja di perusahaan lain.	1	2	3	4	5	6
5	Saya berencana bekerja di bank ini selama mungkin.	1	2	3	4	5	6
6	Saya tidak pernah berniat untuk secara sukarela berhenti dari bank ini.	1	2	3	4	5	6

**Selesai – Terima kasih**

### Appendix 3: Questionnaire for Customers (English Version)



## QUESTIONNAIRE SURVEY FOR CUSTOMERS



PHD ACADEMIC RESEARCH

## THE INFLUENCE OF ISLAMIC WORK ETHICS ON ORGANIZATIONAL PERFORMANCE AT THE ISLAMIC BANKING INSTITUTIONS IN ACEH

For researcher use only:

Number	Date	Time	Bank	Respondent

Assalamu'alaikum Wr.Wb

Dear Sir/ Madam,

The researcher is currently conducting a research regarding the topic as stated on the cover. This research aims to study the influence of Islamic Work Ethics (IWE) towards organizational performance. Particularly, it examines the job satisfaction, organizational commitment, turnover intention, and customer satisfaction and their correlation to IWE. Above all, this study is intended to be able to provide valuable recommendations or guidelines for the improvement of Islamic Banking Institutions (IBIs) efficiently and effectively.

To achieve the purpose, your cooperation and participation is highly expected. Please provide **honest** and **sincere** feedback based on the statements in the questionnaire below. All of the information obtained in this survey will only be used for academic purposes. It will be kept **strictly confidential** and **anonymous** in which no individual's responses can be identified. Please kindly spend about 10 – 15 minutes to fill in the questionnaire.

I would like to take this opportunity to thank everyone who is participating in this survey. May Allah reward you in the hereafter. In case you need more details information, please do not hesitate to contact me at the address below.

Wassalamu'alaikum Wr. Wb.

**Azharsyah Ibrahim**

PhD Candidate

Dept. of Shariah and Management

Academy of Islamic Studies

University of Malaya

[azharsyah@gmail.com](mailto:azharsyah@gmail.com)

+6281360089010 (Indonesia)

+60105235596 (Malaysia)



## A. DEMOGRAPHIC INFORMATION

This part describes your basic personal information. Please fill in the form correctly and honestly. Kindly mark your choice by circling in the appropriate box/number.

### 1. Gender:

1	Male
2	Female

### 2. Age group:

1	16 – 20 years old	4	41 – 50 years old
2	21 – 30 years old	5	51 – 60 years old
3	31 – 40 years old	6	61 years old and above

### 3. Religion:

1	Muslim
2	Christian
3	Buddhist
4	Hindu
5	Others, please specify _____

### 4. Place of origin:

1	Kota Banda Aceh	13	Aceh Barat
2	Aceh Besar	14	Nagan Raya
3	Pidie	15	Aceh Barat Daya
4	Pidie Jaya	16	Aceh Selatan
5	Bireuen	17	Aceh Singkil
6	Kota Lhokseumawe	18	Simeulu
7	Aceh Utara	19	Gayo Lues
8	Aceh Tengah	20	Bener Meriah
9	Aceh Timur	21	Aceh Tenggara
10	Kota Langsa	22	Kota Subulussalam
11	Aceh Tamiang	23	Kota Sabang
12	Aceh Jaya	24	Others, please specify _____

### 5. Ethnic of origin:

1	Aceh	5	Simeulue
2	Gayo	6	Kluet
3	Alas	7	Tamiang
4	Jamee	8	Others, please specify: _____

### 6. Marital status:

1	Not Married
2	Married
3	Widow/Widower

### 7. Highest level of education:

1	Elementary school	5	Undergraduate
2	Junior high school	6	Masters
3	Senior high school	7	Doctorate
4	Diploma		

### 8. Occupation

1	Unemployed	6	Civil servants
2	Student	7	NGO employee
3	Lecturer	8	BUMN/BUMD employee

4	Teacher	9	Entrepreneur
5	Private employee	10	Others, please specify_____

**9. Monthly income:**

1	0 to IDR 1 Million	6	IDR 5,1 Million to 6 Million
2	IDR 1.1 Million to 2 Million	7	IDR 6,1 Million to 7 Million
3	IDR 2.1 Million to 3 Million	8	IDR 7,1 Million to 8 Million
4	IDR 3.1 Million to 4 Million	9	IDR 8,1 Million to 9 Million
5	IDR 4.1 Million to 5 Million	10	Above IDR 9 Million

**10. In which Islamic bank do you become a customer? (multiple answers):**

1	Bank Aceh Syariah	5	Bank Permata Syariah
2	Bank Muamalat Indonesia	6	Bank BII Syariah
3	Bank Syari'ah Mandiri	7	Bank BNI Syariah
4	Bank BRI Syariah	8	Bank Danamon Syariah

**11. Which of the following Islamic banks you are dealing the most?**

1	Bank Aceh Syariah	6	Bank BII Syariah
2	Bank Muamalat Indonesia	7	Bank BNI Syariah
3	Bank Syariah Mandiri	8	Bank Danamon Syariah
4	Bank BRI Syariah	9	Others, please specify_____
5	Bank Permata Syariah		

**12. Do you have account in conventional bank/s?**

1	Yes	No	2
---	-----	----	---

**13. If your answer is "Yes", please indicate the bank below (multiple answer). If your answer is "No," please proceed to question no. 15.**

1	Bank Aceh	8	Bank Danamon
2	Bank Panin	9	Bank Pundi
3	Bank Mandiri	10	Bank BTPN
4	Bank BRI	11	Bank BCA
5	Bank Permata	12	Bank CIMB Niaga
6	Bank BII	13	Others, please specify_____
7	Bank BNI		

**14. If your answer is "Yes" for question no. 12, please indicate the reasons (multiple answers). If your answer is "No," please proceed to question no. 15.**

1	Islamic bank does not offer products/facilities offered by conventional bank
2	Location of Islamic bank far from my place
3	Having two accounts gives me the opportunity to diversify my investment
4	Forced by my institutions
5	Others, please specify_____

**15. How did you receive religious knowledge? (multiple answer)**

1	Formal education (MIN, MTsN, MAN, IAIN, Modern pesantren, etc)
2	Non-formal education (traditional pesantren, etc)
3	Mass media (internet, newspaper, magazine, TV, etc)
4	Book/Kitab
5	Others, please specify: _____

**16. Islamic bank is your primary bank?**

1	Yes	No	2
---	-----	----	---

## B. ISLAMIC WORK ETHICS

For items B – I, please answer the following statements <b>based on your personal experience towards an Islamic Bank that you are dealing the most.</b> Please read each statement carefully, and then indicate the extent to which you agree or disagree by circling the number provided on the scale, on conditions: (1) Strongly Disagree, (2) Disagree, (3) Somewhat Disagree, (4) Somewhat Agree, (5) Agree, (6) Strongly Agree.		Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agree	Strongly Agree
<b>I</b>	<b>Religiousness</b>						
1	Islamic bank provides proper accommodations for praying.	1	2	3	4	5	6
2	In my concern, products offered by Islamic banking have met the shariah compliance.	1	2	3	4	5	6
3	I am certain, Islamic banking is investing in the halal businesses only.	1	2	3	4	5	6
4	I am sure, the Islamic banking's employees perform all religious obligations	1	2	3	4	5	6
5	In my concern, Islamic banking's employees have adequate religious knowledge.	1	2	3	4	5	6
6	I choose to bank with Islamic bank merely because of religious reasons.	1	2	3	4	5	6
<b>II</b>	<b>Effort</b>						
7	I believe the employees of Islamic bank have performed jobs with their best ability.	1	2	3	4	5	6
8	I am satisfied with the time efficiency of bank employees in completing my transactions.	1	2	3	4	5	6
9	I observe that Islamic bank's employees avoid laziness in working.	1	2	3	4	5	6
10	I am satisfied with the information given by the bank's employee concerning to my queries.	1	2	3	4	5	6
11	I feel that Islamic bank's employee have fulfilled their obligations.	1	2	3	4	5	6
12	I am satisfied with the efficiency of Islamic bank's employee in handling problem on the phone or web.	1	2	3	4	5	6
<b>III</b>	<b>Competition</b>						
13	I believe competition among employees is able to improve quality of work.	1	2	3	4	5	6
14	Competition among Islamic banking is fair	1	2	3	4	5	6
15	I believe internal competition at Islamic banking is fair.	1	2	3	4	5	6
<b>IV</b>	<b>Work Obligation</b>						
16	I feel the Islamic bank have fulfilled its contract with me.	1	2	3	4	5	6
17	I choose to bank with Islamic banks because they have trustworthy workers.	1	2	3	4	5	6
18	I believe none of the Islamic bank's employee will come late to work without prior permission.	1	2	3	4	5	6
19	I think the employees of Islamic banking have worked accordingly to their designated time.	1	2	3	4	5	6
20	I feel the Islamic bank employee has worked sincerely	1	2	3	4	5	6
21	In my concern, the transactions of Islamic banking are performed in a transparent way.	1	2	3	4	5	6
<b>V</b>	<b>Quality</b>						
22	I feel the Islamic bank employee works precisely.	1	2	3	4	5	6
23	I feel that Islamic banks' products are less innovative.	1	2	3	4	5	6

24	I think training will always be desirable for the employee to be more professional.	1	2	3	4	5	6
25	The employees of Islamic banking have worked as their expertise.	1	2	3	4	5	6
26	I feel that Islamic bank has an excellent service.	1	2	3	4	5	6
<b>VI</b>	<b>Collectivity</b>						
27	I observe that Islamic bank employee is willing to help each other to solve work problem.	1	2	3	4	5	6
28	Islamic bank' employee looked solid in their works.	1	2	3	4	5	6
29	Upon necessary, I notice the bank employee consult with supervisors or among themselves to solve work problem.	1	2	3	4	5	6
<b>VII</b>	<b>Equality</b>						
30	I feel the Islamic bank employee treats me like "a part of family" when I am banking with them.	1	2	3	4	5	6
31	The employees of Islamic bank have provided adequate assistance on my financial transaction.	1	2	3	4	5	6
32	I am given a free will in choosing the products /services.	1	2	3	4	5	6
33	I feel the bank employee that I am dealing with have been fair to me in my transaction.	1	2	3	4	5	6
34	I believe, no discrimination occurs in the Islamic bank's services.	1	2	3	4	5	6
35	I am happy with the social-friendly features of Islamic bank's employees.	1	2	3	4	5	6
<b>VIII</b>	<b>Benefit</b>						
36	The social funds in the Islamic banking are not merely intended for profit motive.	1	2	3	4	5	6
37	I believe products of Islamic banking will strengthen the economy of the community.	1	2	3	4	5	6
38	I feel secure and comfortable being in the building of Islamic banking.	1	2	3	4	5	6
39	I am pleased with the architectural design of the bank.	1	2	3	4	5	6
40	The Islamic banking has played a good role in alleviating some social problems e.g. helping the poor, charity, etc.	1	2	3	4	5	6
41	I choose Islamic banking because they are offering a fairness profit and loss sharing.	1	2	3	4	5	6

**End of Questionnaire – Thank You**

#### Appendix 4: Questionnaire for Customers (Bahasa Indonesia Version)



### KUESIONER UNTUK NASABAH



### PENELITIAN UNTUK DISERTASI S-3

### PENGARUH ETIKA KERJA ISLAM TERHADAP KINERJA ORGANISASI PADA INSTITUSI PERBANKAN SYARIAH DI ACEH

Untuk kepentingan peneliti saja:

Nomor	Tanggal	Waktu	Bank	Responden

Assalamu'alaikum Wr.Wb

Bapak/Ibu Yang Terhormat,

Saya saat ini sedang melakukan sebuah penelitian untuk disertasi S-3 dengan judul seperti yang tertera pada cover. Penelitian ini dimaksudkan untuk menggali konsep dan nilai-nilai etika kerja Islam dan menguji pengaruhnya terhadap kinerja organisasi dalam hal ini perbankan syariah di Aceh. Adapun komponen-komponen yang akan diuji adalah komponen non-keuangan yang terdiri dari kepuasan kerja, komitmen organisasi, keinginan berhenti, dan kepuasan pelanggan. Sebagai tujuan akhir, penelitian ini diharapkan mampu menghasilkan suatu panduan bagi perbankan syariah dalam menerapkan etika kerja Islam demi kemajuan institusi perbankan syariah di masa yang akan datang. Untuk tercapainya maksud tersebut, partisipasi dan kerjasama anda sangat diharapkan.

Silakan isi kuesioner ini secara **jujur** dan **benar**. Jawaban anda akan sepenuhnya **dirahasiakan**. Tidak seorang pun kecuali saya yang akan memiliki akses terhadap informasi yang anda berikan. Semua informasi yang didapat dari survei ini hanya akan digunakan untuk kepentingan akademik. Untuk mengisi kuesioner ini diperlukan waktu sekitar 10 menit saja.

Sebelumnya, saya ingin mengucapkan ribuan terima kasih atas partisipasi anda semua dalam survei ini. Semoga Allah membalas kebaikan anda kelak. Jika anda memerlukan informasi lebih lanjut, silakan menghubungi saya pada alamat yang tertera di bawah ini.

Wassalamu'alaikum Wr. Wb.

Hormat saya,

**Azharsyah Ibrahim**  
Kandidat Doktor  
Jurusan Syariah dan Manajemen  
Academy of Islamic Studies  
University of Malaya  
[azharsyah@gmail.com](mailto:azharsyah@gmail.com)  
+6281360089010 (Indonesia)  
+60105235596 (Malaysia)

## A. INFORMASI DEMOGRAFI

Bagian ini merupakan deskripsi informasi pribadi anda. Isilah pertanyaan di bawah ini dengan jujur dan benar. Silakan lingkari nomor yang sesuai dalam kotak yang tersedia.

### 1. Jenis Kelamin:

1	Laki-laki
2	Perempuan

### 2. Kelompok Umur:

1	16 – 20 tahun	4	41 – 50 tahun
2	21 – 30 tahun	5	51 – 60 tahun
3	31 – 40 tahun	6	61 tahun atau lebih

### 3. Agama:

1	Islam
2	Kristen
3	Buddha
4	Hindu
5	Lainnya, harap sebutkan _____

### 4. Daerah Asal:

1	Kota Banda Aceh	13	Aceh Barat
2	Aceh Besar	14	Nagan Raya
3	Pidie	15	Aceh Barat Daya
4	Pidie Jaya	16	Aceh Selatan
5	Bireuen	17	Aceh Singkil
6	Kota Lhokseumawe	18	Simeulu
7	Aceh Utara	19	Gayo Lues
8	Aceh Tengah	20	Bener Meriah
9	Aceh Timur	21	Aceh Tenggara
10	Kota Langsa	22	Kota Subulussalam
11	Aceh Tamiang	23	Kota Sabang
12	Aceh Jaya	24	Lainnya, harap sebutkan: _____

### 5. Etnik/Suku:

1	Aceh	5	Simeulue
2	Gayo	6	Kluet
3	Alas	7	Tamiang
4	Jamee	8	Lainnya, harap sebutkan: _____

### 6. Status Perkawinan:

1	Belum Menikah
2	Menikah
3	Janda/Duda

### 7. Level Pendidikan Tertinggi:

1	SD/MIN	5	Sarjana (S-1)
2	SMP/MTsN	6	Magister (S-2)
3	SMA/MAN	7	Doktoral (S-3)
4	Diploma		

### 8. Pekerjaan:

1	Tidak bekerja	6	PNS kantor
2	Mahasiswa/Pelajar	7	NGO
3	Dosen	8	Pegawai BUMN/BUMD

4	Guru	9	Pengusaha
5	Pegawai swasta	10	Lainnya, harap sebutkan: _____

**9. Pendapatan bulanan (gaji dan pendapatan lainnya):**

1	0 sampai Rp 1 Juta	6	Rp 5,1 Juta sampai 6 Juta
2	Rp 1,1 Juta sampai 2 Juta	7	Rp 6,1 Juta sampai 7 Juta
3	Rp 2,1 Juta sampai 3 Juta	8	Rp 7,1 Juta sampai 8 Juta
4	Rp 3,1 Juta sampai 4 Juta	9	Rp 8,1 Juta sampai 9 Juta
5	Rp 4,1 Juta sampai 5 Juta	10	Di atas Rp 9 Juta

**10. Di bank syariah manakah anda menjadi nasabah? (jawaban boleh lebih dari satu):**

1	Bank Aceh Syariah	5	Bank Permata Syariah
2	Bank Muamalat Indonesia	6	Bank BII Syariah
3	Bank Syari'ah Mandiri	7	Bank BNI Syariah
4	Bank BRI Syariah	8	Bank Danamon Syariah

**11. Which of the following Islamic banks you are dealing the most?**

1	Bank Aceh Syariah	6	Bank BII Syariah
2	Bank Muamalat Indonesia	7	Bank BNI Syariah
3	Bank Syariah Mandiri	8	Bank Danamon Syariah
4	Bank BRI Syariah	9	Lainnya, harap sebutkan: _____
5	Bank Permata Syariah		

**12. Apakah anda juga mempunyai rekening di bank konvensional?**

1	Ya	Tidak	2
---	----	-------	---

**13. Kalau jawaban anda "Ya" terhadap soal no. 12, sebutkan alasan anda: (boleh lebih dari satu). Kalau "Tidak," teruskan ke pertanyaan no. 15.**

1	Bank Aceh	8	Bank Danamon
2	Bank Panin	9	Bank Pundi
3	Bank Mandiri	10	Bank BTPN
4	Bank BRI	11	Bank BCA
5	Bank Permata	12	Bank CIMB Niaga
6	Bank BII	13	Lainnya, harap sebutkan: _____
7	Bank BNI		

**14. Kalau jawaban anda "Ya" terhadap soal no. 12, sebutkan alasan anda: (boleh lebih dari satu). Kalau "Tidak," teruskan ke pertanyaan no. 15.**

1	Bank syari'ah tidak menawarkan produk/fasilitas seperti bank konvensional
2	Lokasi bank syariah jauh dari tempat tinggal saya
3	Mempunyai dua rekening memperluas peluang investasi saya
4	Diharuskan oleh institusi tempat saya bekerja
5	Lainnya, harap sebutkan: _____

**15. Bagaimana anda memperoleh pengetahuan agama? (jawaban boleh lebih dari satu)**

1	Pendidikan formal (MIN, MTsN, MAN, IAIN termasuk pesantren modern)
2	Pendidikan non formal (dayah tradisional, pengajian di kampung, dsb)
3	Media massa (cth: internet, koran, majalah, TV, dsb)
4	Buku/Kitab
5	Lainnya, harap sebutkan: _____

**16. Apakah bank syariah merupakan bank utama anda?**

1	Ya	Tidak	2
---	----	-------	---



## B. ETIKA KERJA ISLAM

Untuk item B – I, jawablah pernyataan-pernyataan berikut sesuai dengan kesan anda terhadap SATU bank syariah yang PALING SERING anda gunakan. Silakan baca setiap pernyataan berikut secara cermat, dan lingkarilah skala yang anda anggap paling sesuai, dengan kriteria: (1) Sangat Tidak Setuju, (2) Tidak Setuju, (3) Cenderung Tidak Setuju, (4) Cenderung Setuju, (5) Setuju, atau (6) Sangat Setuju		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
<b>I</b>	<b>Keagamaan</b>						
1	Bank syariah menyediakan fasilitas ibadah yang memadai.	1	2	3	4	5	6
2	Dalam pandangan saya, produk-produk bank syariah sudah sesuai dengan prinsip syariah.	1	2	3	4	5	6
3	Saya yakin bank syariah hanya berinvestasi pada bisnis-bisnis yang halal.	1	2	3	4	5	6
4	Saya yakin karyawan bank syariah melaksanakan semua kewajiban agama	1	2	3	4	5	6
5	Dalam pandangan saya, karyawan bank syariah mempunyai pengetahuan agama yang memadai.	1	2	3	4	5	6
6	Saya memilih untuk bertransaksi di bank syariah semata-mata karena alasan agama.	1	2	3	4	5	6
<b>II</b>	<b>Usaha</b>						
7	Saya percaya, karyawan bank syariah telah bekerja dengan kemampuan terbaik mereka.	1	2	3	4	5	6
8	Saya puas dengan efisiensi waktu yang digunakan dalam menyelesaikan transaksi keuangan saya.	1	2	3	4	5	6
9	Saya memperhatikan bahwa karyawan bank syariah tidak bermalas-malasan dalam bekerja.	1	2	3	4	5	6
10	Saya puas dengan informasi yang diberikan oleh karyawan bank terkait dengan hal-hal yang belum saya pahami.	1	2	3	4	5	6
11	Saya merasa karyawan bank syariah telah bekerja sesuai dengan tanggung jawabnya.	1	2	3	4	5	6
12	Saya puas terhadap efisiensi karyawan bank syariah dalam menangani masalah melalui telepon atau web.	1	2	3	4	5	6
<b>III</b>	<b>Persaingan</b>						
13	Saya yakin, persaingan antar karyawan dapat meningkatkan kualitas kerja.	1	2	3	4	5	6
14	Persaingan di antara perbankan syariah berjalan dengan sehat	1	2	3	4	5	6
15	Saya yakin persaingan di internal bank syariah berjalan secara sehat.	1	2	3	4	5	6
<b>IV</b>	<b>Kewajiban Kerja</b>						
16	Saya merasa bank syariah telah memenuhi tuntutan akad dengan saya.	1	2	3	4	5	6
17	Saya memilih bank syariah karena mereka mempunyai karyawan yang dapat dipercaya.	1	2	3	4	5	6
18	Saya yakin karyawan bank syariah tidak ada yang datang terlambat ke tempat kerja tanpa izin.	1	2	3	4	5	6
19	Saya percaya bahwa karyawan perbankan syariah telah bekerja sesuai dengan alokasi waktu yang diberikan kepada mereka.	1	2	3	4	5	6
20	Saya merasa karyawan bank syariah bekerja dengan ikhlas.	1	2	3	4	5	6
21	Dalam pengetahuan saya, setiap transaksi dalam bank syariah	1	2	3	4	5	6

	dilaksanakan secara transparan.						
		Sangat Tidak Setuju	Tidak Setuju	Cenderung Tidak Setuju	Cenderung Setuju	Setuju	Sangat Setuju
<b>V</b>	<b>Kualitas</b>						
22	Saya merasa karyawan bank syariah bekerja dengan cermat.	1	2	3	4	5	6
23	Saya melihat bank syariah tidak kreatif dalam menciptakan produk.	1	2	3	4	5	6
24	Saya pikir pelatihan selalu diperlukan bagi karyawan untuk dapat terus meningkatkan kualitas pelayanan.	1	2	3	4	5	6
25	Saya melihat karyawan perbankan syariah bekerja sesuai dengan keahlian masing-masing.	1	2	3	4	5	6
26	Saya merasa bahwa bank syariah mempunyai kualitas pelayanan yang bagus.	1	2	3	4	5	6
<b>VI</b>	<b>Kolektivitas</b>						
27	Saya melihat karyawan bank syariah saling membantu dalam bekerja.	1	2	3	4	5	6
28	Karyawan bank syariah terlihat kompak dalam bekerja.	1	2	3	4	5	6
29	Saya melihat karyawan bank syariah berkonsultasi dengan rekan kerja atau atasan jika diperlukan.	1	2	3	4	5	6
<b>VII</b>	<b>Kesamaan</b>						
30	Saya merasa diperlakukan seperti bagian dari “keluarga” saat bertransaksi dengan bank syariah.	1	2	3	4	5	6
31	Karyawan bank syaria’ah sangat kooperatif dalam membantu transaksi keuangan saya.	1	2	3	4	5	6
32	Saya diberi kebebasan dalam memilih produk/jasa yang saya inginkan.	1	2	3	4	5	6
33	Saya merasa bahwa karyawan bank syariah memperlakukan saya secara adil dalam setiap transaksi keuangan saya.	1	2	3	4	5	6
34	Saya yakin, tidak ada diskriminasi dalam pelayanan bank syariah.	1	2	3	4	5	6
35	Saya senang dengan keramah-tamahan karyawan bank syariah.	1	2	3	4	5	6
<b>VIII</b>	<b>Keuntungan</b>						
36	Bantuan dana sosial dalam perbankan syariah tidak melihat pada keuntungan semata.	1	2	3	4	5	6
37	Saya percaya produk perbankan syariah dapat memperkuat ekonomi masyarakat.	1	2	3	4	5	6
38	Saya merasa aman dan nyaman berada dalam gedung perbankan syariah.	1	2	3	4	5	6
39	Saya senang dengan desain arsitektur bank syariah.	1	2	3	4	5	6
40	Bank syariah berperan dalam mengangkat masalah-masalah sosial, seperti: membantu fakir miskin, beasiswa, dll.	1	2	3	4	5	6
41	Saya memilih bank syariah karena mereka menawarkan keadilan dalam pembagian keuntungan.	1	2	3	4	5	6

**Selesai – Terima kasih**

## Appendix 6: List of Experts for Instrument Validation

No	Name	Educational Background	Institution	Expertise
1	Dr. Asmak Ab Rahman	Ph.D (UM), MSh (UM), BSh (UM)	University of Malaya	Islamic Economics
2	Dr. Azian Madun	Ph.D (Bath), MSc (UiTM), BSc (UKM)	University of Malaya	Corporate Finance
3	Dr. Hafas Furqani	Ph.D (IIUM), MEc (IIUM), BSc (UIN Jkt)	International Shariah Research Academy for Islamic Finance (ISRA)	Islamic Economics
4	Dr. Muhammad Subhan	Ph.D (UUM), MSc (UKM), BSc (Unsyiah)	University of Utara Malaysia	International Business
5	Dr. Eddy Gunawan	Ph.D (Durham), MEc (IIUM), MSh (UM), BSh (Ar-Raniry)	University of Durham, UK	Islamic Economics
6	Dr. (Cand) Israk Ahmadsyah	Ph.D (Markfield), MSc (Sheffield), MEc (IIUM) BEc (UKM)	Markfield Institute for Islamic Higher Education, UK	Islamic Banking and Finance
7	Dr. M. Shabri Abd. Majid	Ph.D (IIUM), MEc (IIUM), BEc (Unsyiah)	Syiah Kuala University, Indonesia	Islamic Management, Organizational Behavior
8	Dr. Saiful Mahdi	Ph.D (Cornell), MSc (Vermont), BSc (ITS)	Syiah Kuala University, Indonesia	Political Economics, Statistics
9	Dr. M. Yasir Yusuf	Ph.D (USM), MA (UKM), BSh (Ar-Raniry)	Ar-Raniry State Islamic University, Indonesia	Islamic Management
10	Dr. Ridwan Nurdin	Ph.D (UIN Jkt), MCL (IIUM), BSh (Ar-Raniry)	Ar-Raniry State Islamic University, Indonesia	Fiqh Muamalah, Islamic Contracts
11	Dr. (Cand) Bismi Khalidin	Ph.D (Unsyiah), MSc (Unsyiah-McGill), BSh (Ar-Raniry)	Ar-Raniry State Islamic University, Indonesia	Islamic Economics, Statistics

#### Appendix 7: Ethnic of Respondent for Employees

<b>Ethnic Groups</b>	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Aceh	180	86.5	86.5	86.5
Gayo	2	1.0	1.0	87.5
Jamee	4	1.9	1.9	89.4
Kluet	2	1.0	1.0	90.4
Others	20	9.6	9.6	100.0
<b>Total</b>	<b>208</b>	<b>100.0</b>	<b>100.0</b>	

Ethnics of Aceh, Gayo, Jamee, and Kluet are considered as Acehnese people according to Qanun Aceh No. 8/2012 and its addendum, Qanun No. 9/2013.